



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Editorial Views Qian Qichen's UN Diplomacy

HK0510075390 Hong Kong WEN WEI PO in Chinese
5 Oct 90 p 2

[Editorial: "Qian Qichen's Diplomatic Whirlwind in the United Nations"]

[Text] The first UN General Assembly of the 1990's is now in progress in New York. Chinese Foreign Minister Qian Qichen has been very active during the current UN General Assembly. He has launched a series of diplomatic activities and achieved remarkable successes which will be of great significance for China's efforts to make a breakthrough in the sanctions against it. Foreign press called Qian's work a new round of diplomatic offensive.

In the United Nations, Minister Qian Qichen signed with his Singaporean counterpart a communique on the establishment of diplomatic relations, and met with the West German foreign minister and the foreign ministers of the seven Rio nations (namely, Argentina, Brazil, Peru, Columbia, Venezuela, Mexico, and Uruguay). All seven nations have pledged to take the same stance as China's or a similar one on the Gulf issue, and to strengthen economic cooperation with China. Qian Qichen also met with the foreign ministers of Canada, Austria, Greece, and some East European countries. After that, he met with the U.S. secretary of state, the foreign ministers of Japan, France, and the UK, as well as the foreign ministers of seven other Asian, European, and African countries.

All these meetings were related to the Gulf situation, the Cambodian issue, bilateral cooperation, North-South economic relations, and so on.

During their meeting, both Qian Qichen and Baker agreed that consultations between China and the United States on major international issues of mutual concern and on bilateral relations are necessary and useful. Both of them expressed their will to maintain contacts and to work for restoration of Sino-U.S. relations.

As the United States has turned around, Japan, France, and the UK have also explicitly changed their attitude. When leaving the UN headquarters after meeting with Douglas Hurd, the British foreign secretary, Qian Qichen said: "The sanctions will be lifted sooner or later. One cannot maintain the sanctions forever."

There are two reasons why Qian Qichen's diplomatic offensive in the United Nations has been fruitful. First, China is a big country; world affairs can hardly be handled without China's participation; and China's absence is unfavorable to the relaxation of the world situation. Second, China has adopted a correct foreign policy and has been accurate and has shown foresight in analyzing the developing situation. On both the Gulf crisis and the Cambodian issue, China has assumed a

just stance which helps safeguard peace; when deciding on its stance, China has taken into account the interests of those countries in the region concerned, and has given consideration to both justice and interests. Therefore such a stance does help resolve the problems. China is not contending for power and interests by flaunting the banners of "peace" and "opposition to aggression," but is earnestly trying to mediate the disputes, seeking a feasible solution, and working to prevent the interests of the people in the conflicting region from being hurt and to avoid a possible expansion of conflicts which may subsequently result in greater turbulence or far-reaching consequences. Practice has proven that China's view has been appreciated by various countries and is conducive to the settlement of the issues. Therefore, when holding talks with Qian Qichen, all foreign ministers praised China's stance on the Gulf issue and the important role China has played in seeking a solution to the Cambodian issue.

The West's practice of suspending ministerial-level contact with China actually cannot stand for long because, in case of major international events, China's participation will add to the peace-safeguarding forces. Consultations with China can help solicit China's valuable opinions, seek its cooperation, and thus bring about an appropriate settlement of disputes. As the only Third World country among other permanent members of the UN Security Council, China maintains extensive ties with Asian, African, and Latin American countries and represents their interests and desires. Therefore, China's propositions have been supported by the Third World. The solution to the Cambodian issue is exactly the result of consultations among China and Southeast Asian countries. China did play an active part in bringing about the nine UN resolutions on the Gulf crisis. Nobody can isolate China and, by the way, such a practice will do no good to the settlement of international disputes. Only cooperation with China can help promote detente and stability in the world.

The development over the past year has shown that it was Latin American countries that warmly received the visiting Chinese president and continued to promote friendship and cooperation with China while the West imposed sanctions against the country; and it was west Asian and southeast Asian countries that resumed or established diplomatic ties with China one after another, in an attempt to boost trade and economic development. All these have shown that there is no conflict of interests between China and other Third World countries, and that China's adherence to the five principles of peaceful coexistence is acclaimed by all countries. They hope to promote economic relations with China, with a view to boosting their national economy and establishing a new international order.

While the world's bipolar structure is changing gradually, a multipolar world is taking shape. Imbalance has emerged under new conditions, the gap between the rich and the poor is further widening, and the tendency in which large and rich countries dominate small and poor

countries is gaining ground. Such a development is unfavorable to peace and stability and will only make the existing contradictions more complicated. Many European countries and developing countries wish that they could be free of armed threat by powerful countries, their internal affairs could be free of external interference, and every country, large or small, could have its say in world affairs. They are seeking a most favorable position and a new balance in the multipolar world. They firmly believe that a type of closer ties with China will be conducive to the balance and stability of the world. This is a powerful, irreversible trend. It will be impossible and unprofitable for certain countries to continue their sanctions against China.

Qi Huaiyuan Reviews Diplomatic Achievements

OW0310183690 Beijing Domestic Service
in Mandarin 0530 GMT 1 Oct 90

["Radio talk" by Qi Huaiyuan, deputy foreign minister, from the "International News and Current Events" program—recorded]

[Text] Listeners, on the eve of celebrating the 41st anniversary of the founding of the People's Republic of China, I am very pleased that I have the opportunity to brief all of you on China's diplomatic work in the past year. Since the beginning of this year, as the domestic situation is being increasingly stabilized, China has made some important headway in actively carrying out diplomatic work. China has consistently stood for and strictly abided by the five principles of peaceful coexistence, mutual respect for territorial integrity and sovereignty, mutual nonaggression, noninterference in each other's internal affairs, equality, and mutual benefit. It has strived, on this basis, to establish and develop friendly relations with various countries of the world.

Since the beginning of this year, China has made gratifying progress in its relations with foreign countries. In March this year China established diplomatic relations with newly independent Namibia. In July it established official diplomatic relations with the Kingdom of Saudi Arabia. In August China and the Republic of Indonesia restored their diplomatic relations that had been suspended for 23 years. China will establish diplomatic relations with the Republic of Singapore in the near future. These are major victories scored by China in persisting in the independent foreign policy of peace and are also the result of common efforts made by China and other relevant countries. Our establishment and restoration of diplomatic relations with these countries are not only conducive to enhancing bilateral relations of friendship and cooperation, but also have great significance for safeguarding world peace and stability.

China is a developing socialist country. Strengthening and developing unity and cooperation with Third World countries is a basic point of China's foreign policy. Similar historical experiences and common practical tasks have linked China closely with the vast number of

Third World countries and have bound them in a common cause. Under the present international situation in which great changes have taken place, new hegemonism and power politics are emerging; the economic gap between the South and the North continues to widen, and the contradictions between them are deepening. Tensions and turbulence have emerged in some regions. Like many other developing countries, China is deeply concerned about these events. Under this situation, in order to enhance the unity of the Third World and to cause the international situation to continue to develop in a direction conducive to peace and development, China has further strengthened contacts with the vast number of Third World countries.

Since the beginning of this year, more than 10 heads of state and government from Asia, Africa, Latin America, and Oceania have paid official visits to China on invitation. Chinese leaders have also visited many countries in Asia, the Middle East, and Latin America. In March this year, General Secretary Jiang Zemin paid a friendly visit to the Democratic People's Republic of Korea, China's close neighbor. His visit was a complete success. It enhanced mutual understanding and friendship between China and Korea.

In May President Yang Shangkun paid state visits to the five countries of Mexico, Brazil, Uruguay, Argentina, and Chile. This was the first time a Chinese head of state had paid a visit to Latin America since the founding of New China. This was a great event in the relations between China and Latin America. The successful visits achieved the objectives of strengthening understanding, enhancing friendship, and consolidating and developing bilateral relations.

During the same month Chairman Wan Li paid official friendly visits to Pakistan, Iran, and Iraq. These visits have enhanced mutual understanding and friendly cooperation among the parliaments of the three countries.

In August this year Premier Li Peng paid an official visit to Indonesia and Singapore and a working visit to Thailand. During the visits, Premier Li Peng exchanged views in depth with the leaders of the three countries on bilateral relations and the Cambodian question. They shared identical views on many issues. The visit was a complete success.

Through mutual visits, China's unity, cooperation, and friendship with a vast number of Third World countries have been further strengthened.

In particular, its relations with its neighbors have been further improved and developed. In April this year, Premier Li Peng paid an official visit to the Soviet Union. This was the first time a Chinese premier visited the Soviet Union in 26 years since Premier Zhou Enlai's visit in 1964. Li Peng's visit scored important concrete results. Both sides concluded a series of documents and agreements on developing good-neighborly relations and

expanding cooperation, opening up broad vistas for cooperation in various fields between China and the Soviet Union.

Because of reasons known to all, difficulties have emerged in China's relations with some Western countries in the past year. Facts have proven that sanctions not only cannot subdue China but also harm those who imposed the sanctions. Recently, Western countries have successively adopted some measures to relax the sanctions and improve their relations with China. This merits welcome. We hope that China's relations of cooperation with Western countries will be restored and developed on the basis of the five principles of peaceful coexistence.

While developing our relations with foreign countries, we are playing an increasingly important role in international affairs, making our contributions to safeguarding world peace. China is resolutely opposed to invasion and occupation of a country by another country, interference in the internal affairs of a country by another country, and acts of aggression and expansion by any country under any pretexts. China consistently stands for the just, reasonable political settlement of regional conflicts.

The Gulf crisis which broke out recently is a great event involving the entire world. In this crisis, which the whole world is concerned about, China has adhered to its principled stand by opposing Iraq's invasion and annexation of Kuwait, opposing the use of force, and striving for the peaceful settlement of the dispute. As one of the five permanent members of the United Nations Security Council, China voted in favor of, and also has solemnly and earnestly implemented, the seven resolutions of the Security Council on the Gulf crisis. We are positively in favor of political settlement of the Gulf crisis through peaceful means within the scope of Arab countries. We support Arab countries in their efforts toward this end and support the United Nations in its efforts to mediate the dispute. China's principled stand toward the Gulf crisis and its efforts to maintain peace in the Gulf region have won the attention and favorable comments of various countries.

The Cambodian war has been dragged on for nearly 12 years, bringing great misfortunes to the Cambodian people. In order to stimulate the political settlement of the Cambodian issue, we have made unremitting efforts for many years. Since the beginning of this year, we have continued to play an active role in consultations on the Cambodian issue sponsored by the five permanent members of the United Nations Security Council. We have made efforts to promote the overall, just, reasonable political settlement of the Cambodian issue on the basis of the relevant documents adopted by the five permanent members of the Security Council. We are happy to see now that the Supreme National Council of Cambodia has been officially formed. This is an important step forward to the goal of political resolution of the Cambodian issue.

China's achievements in diplomatic work scored this year have been inspiring. In the days to come, so long as we do our work at home well and continue to persist in the independent foreign policy of peace, we will be able to win new, greater achievements in diplomatic work. We will have more friends; China's international prestige will keep rising.

Liu Huaqiu Meets UN Disarmament Official

OW0410152490 Beijing XINHUA in English
1456 GMT 4 Oct 90

[Text] Beijing, October 4 (XINHUA)—Chinese Vice Minister of Foreign Affairs Liu Huaqiu met here today Jayantha Dhanapala, director of the United Nations Institute for Disarmament Research (UNIDIR).

They discussed the issues of international disarmament and security.

Dhanapala and his wife arrived here Wednesday for a goodwill visit.

Li Zhiming on Imbalance of Global Economy

OW0410090790 Beijing XINHUA in English
0646 GMT 4 Oct 90

[Text] Geneva, October 3 (XINHUA)—Chinese delegation to the 37th meeting of the board of the United Nations Conference on Trade and Development (UNCTAD) today called for international efforts to shorten the economic distance between developing and industrialized countries.

Chinese delegation leader Li Zhiming said trade protectionism of some major developed countries and worsening trade conditions of developing nations have resulted in the imbalance of global economy, for which he suggested is the main cause of deterioration stems from external economic environments. [sentence as received]

International coordination between the South and North will cure the external economic environment of developing nations, Li added.

Debts are also a major obstacle for the development of countries both poor and wealthy, he said, adding that the discovery of substantial solutions to debts will help build up the capacity of debtor nations to meet repayments.

He expressed his anxiety over the status quo of the Uruguay round negotiations, saying that a breakthrough remains to be achieved in the textile and agricultural industry, which are the main products of export for developing nations.

Meanwhile, Li hailed the peaceful fulfillment of German reunification, saying this dramatic event will benefit the stability and development of Europe and the world.

Wan Li, Japan's Sakurachi Hail Asian Games

OW0410134890 Beijing XINHUA in English
1233 GMT 4 Oct 90

[Text] Beijing, October 4 (XINHUA)—Chairman Wan Li of China's National People's Congress Standing Committee said here today that the on-going Eleventh Asian Games is very successful in promoting unity, friendship and progress.

Wan, who is also honorary president of the Eleventh Asian Games Organizing Committee, made the remarks at a meeting with Yoshio Sakurachi, speaker of the Japanese House of Representatives and president of the Asian Canoe Confederation, and his wife in the Great Hall of the People.

Praising the Chinese athletes for their big successes in the games, Wan said that China still lags behind some countries in quite a number of sport events.

Sakurachi said that he was pleased to see the games going on smoothly. He also praised the Chinese athletes for winning a big number of medals, saying that the credit should go to the athletes as well as to the Chinese Government for providing strong backing for them.

He also thanked the organizing committee for designating canoe as one of the current game events.

After the meeting, Wan Li hosted a dinner in honor of Sakurachi and his wife.

Sakurachi arrived here Tuesday for presiding over a meeting of the Executive Council of the Asian Canoe Confederation.

Chen Xitong Meets Olympic Committee Officials

Kuwaiti Praises Games

OW0410152890 Beijing XINHUA in English
1458 GMT 4 Oct 90

[Text] Beijing, October 4 (XINHUA)—Chen Xitong, president of the 11th Asian Games Organizing Committee (BAGOC), met here today with Shaykh Ahmad Fahad al-Sabah, vice-president of the Olympic Committee of Asia (OCA) and president of the Olympic Committee of Kuwait.

Fahad is son of the late OCA President Shaykh Fahad Ahmad al-Sabah.

During their meeting, Chen said the 11th Asian Games enjoyed enthusiastic support and help from the late OCA president, who devoted himself to the friendship between the peoples of China and Kuwait and the development of sports in Asia, and the Chinese people will not forget him.

Fahad said that the opening ceremony of the games is very successful and the organizations of the competitions are also very good.

The Chinese spectators are very friendly and cheered for both sides of the competing teams, he said, adding that the success of the current Asian Games has made the people aware that China has the ability to host the Olympic Games.

"We support China to host the Olympic Games in the year of 2000," he said.

Present on the occasion were Zhang Baifa, OCA's executive vice-president, and Shukri Nasir A. al-Shraim, charge d'affaire ad interim of the Kuwait Embassy in Beijing, and leaders of the Kuwaiti sports delegation to the 11th Asian Games.

Meets DPRK's Kim Yu-sun

OW0410191790 Beijing XINHUA in English
1550 GMT 4 Oct 90

[Text] Beijing, October 4 (XINHUA)—Chen Xitong, president of the Beijing Asian Games Organizing Committee (BAGOC) and mayor of Beijing, met with and hosted a dinner here this evening for Kim Yu-sun, president of the Olympic Committee of the Democratic People's Republic of Korea.

During the meeting, Chen expressed congratulations to the Korean guests on the good results the Korean athletes had made at the ongoing Asian Games.

He also said that BAGOC would do its utmost to ensure a complete success of the games.

Kim Yu-sun highly praised the organization work of the Beijing Asian Games. He said that the Korean people sincerely hope that the games would be a successful one.

Present on the occasions were officials of the Korean sports delegation to the 11th Asian Games.

Also present were Zhang Jianmin, BAGOC's vice president and vice executive mayor of Beijing, and Pae Yong-jai, charge d'affaires ad interim of the Korean Embassy in Beijing.

United States & Canada

Qian Qichen Discusses Sino-U.S. Ties

OW0510012990 Beijing XINHUA in English
0039 GMT 5 Oct 90

[Text] New York, October 4 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today that stable and friendly relations of cooperation between China and the United States are not only in the interests of the two peoples, but also an important factor making for world peace.

Speaking at a luncheon hosted by the Council on Foreign Relations, the minister said, "from a geopolitical and geoeconomic point of view, the common interests between China and the United States far outweigh their differences."

"If we both can proceed from the principle of seeking common ground while reserving differences and handle the bilateral relations in a cool-headed and objective manner, I am sure that the Sino-U.S. relations will achieve a healthy development," he declared.

He denounced U.S. sanctions against China, saying that for over one year, "Sino-U.S. relations have bogged down in difficulties," due entirely to the U.S. sanctions against China, using China's internal affairs as pretexts.

While admitting that these sanctions have caused China some temporary difficulties, he pointed out that they have jeopardized American interests as well.

The minister said that under the present rapidly changing and complex international situation, the need for exchanges and consultations at various levels, including high level, among states, China and the United States included, is increasing.

Therefore, he pointed out, "the United States has actually hampered itself by continuing its sanctions against China."

He declared that China has adopted a series of positive measures to help bring Sino-U.S. relations back to normal and called on the United States to make similar efforts.

Qian pointed out that the key to sound Sino-U.S. relations lies in the adherence to the guiding principles contained in the three joint communiques between the two countries, particularly the principles of mutual respect for sovereignty and territorial integrity and non-interference in each other's internal affairs.

On the international situation, the Chinese foreign minister said that contrary to the expectations of many, the world has not become more peaceful or tranquil.

"At a time of transformation when the old pattern has been broken and a new one has yet to take shape," he noted, "the people of the world are facing many grim and complex challenges. A case in point is the Gulf crisis that has emerged recently."

Referring to the establishment of a new international political order, he pointed out that the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence are principles that meet the fundamental interests of all countries and facilitate the establishment of such an order.

Ministry Plans Trade Mission to U.S.

HK0510025590 Hong Kong HONGKONG STANDARD in English 5 Oct 90 p 1

[Text] China plans to send a mission to the United States within the year to look for products it can buy in an attempt to reduce that country's trade deficit with the mainland.

The buying mission will be organized by China's Ministry of Foreign Economic Relations and Trade (MOFERT), according to Shen Jueren, MOFERT vice-minister.

He told the local press after a symposium here yesterday that MOFERT has drafted a list of products to be sourced from the U.S. The products would cover a wide range, he said, but did not disclose how much the mission would contract to buy.

China's trade surplus with the U.S. has been increasing rapidly. The American Chamber (AmCham) of Commerce in Hong Kong estimated it would reach US\$10.5 billion (HK\$81.9 billion) by the end of this year.

However, Mr Shen said that while MOFERT was aware of the situation and discussing with U.S. authorities how it might be redressed, China did not agree with the figures released by the U.S. Department of Commerce.

"Our calculations are based on the products exported irrespective of their final destination," he said. "Therefore, China-made products that are re-exported to the U.S. are not included."

The U.S. trade deficit with China is one reason some U.S. congressmen have proposed to take away the mainland's Most Favoured Nation (MFN) status.

Mr Shen said China was spending some effort to retain the privilege, but did not elaborate. "Relations between China and the United States are improving and both of us do not want to affect that relationship," he said.

If China loses its MFN status, U.S. products would also cease to enjoy MFN treatment on the mainland, he said.

John Kamm, chairman of the American Chamber of Commerce (AmCham) in Hong Kong, has criticised China for its alleged protective attitude against imports. But Mr Shen said that while China was one of the most open markets in the world, the country's economic problems were making access difficult for most foreign products.

At the Symposium of Asian Chief Executives in Hong Kong yesterday, Mr Shen said China's policy was to encourage more economic co-operation with other nations.

But "no country or region can attain economic development if it is isolated from the common development of the world economy," he said.

"China's open policy in the past 11 years has helped us make quick economic progress."

He added: "China consistently maintains that international economic co-operation and trade exchanges should be based on the principle of equality and mutual benefits."

China would also continue to develop multi-level and multi-channel economic and commercial cooperation with international industrial, trade and financial sectors.

But Mr Shen said serious problems which had piled up over the years were still to be resolved despite two years of readjustments.

Soviet Union

Qian Qichen Meets With Shevardnadze

OW0510030090 Beijing XINHUA in English
0224 GMT 5 Oct 90

[Text] New York, October 4 (XINHUA)—Chinese Foreign Minister Qian Qichen met Soviet Foreign Minister Eduard Shevardnadze here today and discussed with him on the Gulf situation, the Cambodia question, bilateral relations and other questions of mutual interest.

The two foreign ministers briefed each other on the developments in a number of matters. They noted that the two countries held basically identical views on the Gulf crisis, voted for the U.N. Security Council resolutions on the question, and stand for resolving the dispute by peaceful means and by avoiding the use of force.

The two sides voiced support for the co-chairmen of the Paris International Conference on Cambodia, France and Indonesia, to take necessary steps, including the holding of a preparatory meeting, to facilitate a comprehensive solution to the Cambodia question.

The two ministers also expressed their satisfaction with the progress made in the relationship between their countries since their meeting earlier this year in Harbin of northeast China.

Physicist Receives Honorary Moscow Doctorate

OW0410215590 Beijing XINHUA in English
0300 GMT 04 Oct 90

[Text] Moscow, October 3 (XINHUA)—Moscow University today conferred an honorary doctorate on Chinese nuclear physicist Wang Ganchang, 83.

Vladimir Tropin, vice president of the university, praised Wang, who is honorary president of the Chinese Research Institute of Atomic Energy Science, for his contributions to the development of relations between physicists in their two countries. In reply, Wang said he looked forward to continuing this and his contributions to nuclear physics.

Northeast Asia

Commentary on Japanese-DPRK Efforts at Ties

SK0510080490 Beijing International Service
in Korean 1100 GMT 30 Sep 90

[Commentary by RENMIN RIBAO's commentator: "The New Starting Point for Korean-Japanese Relations"]

[Text] A Japanese delegation composed of members of the Liberal Democratic Party [LDP] and the Japan Socialist Party [JSP] paid a visit to Korea from 24 to 28 September at the invitation of the Workers' Party of Korea [WPK]. Recently, through talks and tete-a-tetes between President Kim Il-sung and Shin Kanemaru in particular, both sides reached an accord on the issue of establishing diplomatic relations between the two countries and on the issue of political, economic, and cultural exchanges. This marked great progress in the relations between Korea and Japan and is of great significance in stabilizing the situation on the Korean peninsula and in maintaining peace and security in Asia.

Japan attracted the world's attention and aroused the world's public opinion with its diplomatic activities because of the following special reasons. First of all, Shin Kanemaru, the head of the LDP delegation, is a leading figure of high morale repute in Japan's political circles and is the former deputy prime minister of Japan. He is also not only the head of the Takeshida faction in the LDP, but is also one of the influential leaders in the party. Second, 10 government officials from the Ministry of Foreign Affairs, the Ministry of International Trade and Industry, the Ministry of Transport, and the Ministry of [word indistinct] accompanied the Japanese delegation on its visit to Korea. Third, the delegation opened direct air services this time, providing an alternative to the old route of going to Pyongyang via Beijing. All of these are unprecedented occurrences since Korea was liberated in 1945. This precisely shows Japan's will to improve relations with Korea.

Japan ruled Korea for 36 years, beginning early in the 20th century. Korea was liberated in 1945. Since then, the Japanese Government has enforced the so-called policy of tilting to one side and has, therefore, not recognized the DPRK. As the situation has changed, however, Japanese political leaders have renounced this policy which runs counter to history and have come to wisely recognize today's reality with each passing day. In recent years, the Japanese Government has expressed many times the need to liquidate the past and to improve relations with Korea.

Prior to the departure of the LDP delegation to Pyongyang, Prime Minister Kaifu openly expressed his will repeatedly that he will apologize to Korea in the capacity of either the president of the ruling party or Japanese Prime Minister and that he will not hesitate to apologize when he is required to do so. Prime Minister Kaifu officially expressed such an intent in his personal letter

addressed to President Kim Il-song, which was delivered through Shin Kanemaru. In addition, Korea has made some necessary readjustments in the field of its foreign policy in recent years so that it can adapt itself to the changing international situation. Thus, the Japanese efforts to improve relations with Korea have been understandable to the Korean people.

The JSP has played the important role of a bridge in the course of contact between the LDP and the WPK. For a long time, the JSP has maintained relations of friendship with the WPK. Thanks to the JSP's efforts at reconciliation between the WPK and the LDP, the pace of improved Japanese-Korean relations has become rapid. The two countries Korea and Japan will conduct detailed negotiations on the issue of officially establishing diplomatic relations in the near future.

People throughout the world want both sides to turn all types of unfavorable factors into favorable factors in this starting point of Korean-Japanese relations which was pioneered during the recent Japanese delegation's visit to Korea for several reasons: for the smooth normalization of relations between them, and, with the improvement and development of relations as an occasion, for the independent and peaceful reunification of Korea to be accelerated and the situation on the Korean peninsula to be stabilized.

Southeast Asia & Pacific

Li Peng Receives Thailand's Khukrit Pramot

BK0510101790 Beijing International Service
in Thai 1330 GMT 4 Oct 90

[Text] On 3 October in Beijing in the afternoon, Chinese Premier Li Peng had a friendly and cordial meeting with former Thai Prime Minister M.R. Khukrit Pramot and his party. While discussing the Cambodian problem, Li Peng said the Jakarta meeting recorded successful results. However, although the meeting in Bangkok was stalled we should not lose confidence but should continue to try to seek a comprehensive, fair, and reasonable political solution to the Cambodian problem. Though both China and Thailand can play their own roles for solving the problem, it is essential that they increase their consultation and cooperation.

M.R. Khukrit agreed with Li Peng's views. He said all parties concerned with the Cambodian problem must energetically participate in the political process for settlement of the problem and show their sincerity. Thailand is willing to increase its cooperation with China on the Cambodian problem.

Both the host and the guests expressed satisfaction with continued development of friendly Sino-Thai relations.

Fujian Governor Calls on Singaporean Leader

OW0410122096 Beijing XINHUA in English
1116 GMT 4 Oct 90

[Text] Singapore, October 4 (XINHUA)—Visiting governor of China's Fujian Province Wang Zhaoguo called on Singapore Prime Minister Lee Kuan Yew here this afternoon.

According to a Chinese official, the Fujian governor had a cordial talk with the Singapore prime minister. Wang said that he is looking forward to the visit to Fujian Province by Lee Kuan Yew during Lee's coming trip to China in October.

The governor and the Fujian provincial economic delegation, which arrived here just several hours before the meeting with Lee, are here for a goodwill visit at the invitation of Singapore Trade Development Board.

Chinese commercial representative in Singapore Wang Jiuan was present at the meeting.

Near East & South Asia

Article Assesses Outcome of Gulf Crisis

HK0510050890 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 40, 1 Oct 90 pp 24-25

[Article by Gao Qiufu (7559 4428 4395): "Iraq Has No Intention of Withdrawing Its Troops While the United States Has Stepped Up Military Deployment"]

[Text] Cairo, [undated]—White-robed Arab diplomats have been doing the rounds of various concerned states armed with peace formulas which will hopefully avert a military confrontation. Meanwhile, naval fleets flying the flags of the United States, Britain, and France have sailed one by one through the Suez Canal and are congregating in the Gulf area. All this raises a question to everyone: How will the seven-week-old Gulf crisis be resolved? Will the contending parties withdraw their troops and seek out a peaceful resolution or will military deployment intensify, leading to final armed confrontation?

The Gulf crisis was triggered off by Iraq's invasion of Kuwait on 2 August. It is generally maintained that the key to a solution of the crisis lies in the withdrawal of Iraqi troops from Kuwait. On 13 August, under pressure from strong international opinion, Iraq's President Saddam Husayn indicated that "talks may now be considered," the conditions being that Israel withdraw from the occupied territories, Syria from Lebanon, and the United States from Saudi Arabia. He avoided the subject of the withdrawal of Iraqi troops from Kuwait. Over the last month, he has not spoken about withdrawing troops from Kuwait.

The United States has rejected Saddam Husayn's terms for negotiations and insisted that the solution to the Gulf crisis "should start with the withdrawal of Iraqi troops."

As for deployment of its troops in the Gulf, the United States naturally will not agree lightly to a withdrawal now that it has gained entry there. In a speech before Congress on 4 September, Secretary of State Baker stated: In order to prevent Saddam Husayn and "other ambitious persons" from threatening the peace in the Gulf region, the United States "should have the foresight to look into the aftermath of this crisis." He proposed the creation of a NATO-type regional security organization, with U.S. troops deployed in the Middle East region "as part of the new regional security order." The press in the United States pointed out that "Baker's statement aroused resentment among the Arabs and embarrassment among its allies" and described the statement as "truly inappropriate." In view of this, President Bush quickly indicated that once the Gulf crisis is settled, U.S. troops will be withdrawn and that "there is no intention of them staying for more than a day." Which of the two men's statements is to be believed? It is widely maintained that while the United States claims that its troops will be withdrawn from the Gulf once the crisis is over, it is actually considering a long-term deployment there as it has enormous strategic interest at stake. It is precisely this problem which worries the international community, particularly the Arab states.

In the Arab world, most of the countries including Egypt, Syria, and Saudi Arabia all asserted that the withdrawal of Iraqi troops from Kuwait "is unconditional and unequivocal." Other issues may be considered but only after Iraq withdraws its troops. Egyptian President Hosni Mubarak indicated that if Iraq withdraws its troops from Kuwait, he will persuade the United States to withdraw from Saudi Arabia. And Saudi Arabia's King Fahd has said that once the danger of an Iraqi invasion disappears, he will immediately ask the U.S. troops to leave. Meanwhile, Jordan, Yemen, Libya, and the PLO have all refused to condemn Iraq's invasion of Kuwait right from the start; they never once raised the question of Iraqi troop withdrawal from Kuwait. Later, the UN Security Council passed several resolutions denouncing Iraq's invasion of Kuwait. The United States and other western allied countries deployed massive military force in the Gulf region, stepping up the danger of a military confrontation. It was under these circumstances that Arab officials traveled from one country to another, with some even consulting with Iraq, and presented countless formulas for a peaceful settlement of the Gulf crisis. While these formulas vary, one common fundamental subject binds them: Demand for withdrawal of troops by both sides. However, it was not specified whether withdrawal be simultaneous, or that Iraq take the lead. The concerned states explained that only a "double withdrawal" can lead to a peaceful solution of the Gulf crisis, and "eliminate arbitrary intervention by Western powers into Gulf affairs", and so stop them from controlling the fate of the Gulf people.

Whether Iraq withdraws its troops first, or both the United States and Iraq "pull out their troops at the same time," all these seem unlikely to materialize at the

moment. The truth of the matter is that: At the moment, there is no hope for the disappearance of the grave military stand-off in the Gulf region, while deployment of troops which aggravates this stand-off continues unabated.

Tagged as the military power in the Middle East, Iraq boasts of one million soldiers, 5,500 tanks and 530 fighter aircrafts. To deal with "the dangers of an imminent war," it has, on one hand, recruited new soldiers, reestablished the militia, and expanded its military logistics; on the other hand, it has also adjusted its strategies and redeployed troops. On 15 August, Saddam Husayn announced recognition of the 1975 border agreement for which it had fought an eight-year war with Iran and sought unconditional peace with Iran. In this way, he has stabilized the eastern front and concentrated his main forces on the "vital" western front. Reports claim that most of the 30 Iraqi divisions made up of 300,000 men that were originally deployed along the Iraq-Iran border have been transferred to reinforce the frontline along the border with Saudi Arabia, as well as the frontier areas with Syria and Turkey. At present, 320,000 men are deployed in the "battle fronts" of Kuwait and southern Iraq. The breakdown is as follows: In Kuwait, 170,000 men, 1,500 tanks, 700 cannons and 800 Soviet-type missiles; in southern Iraq, 150,000 men, 1,500 tanks, and 700 cannons. To deal with possible air strikes by the United States, Iraq has also strengthened precautionary and air defense measures in strategic military and civilian facilities, and distributed several thousands detained U.S., British, and French nationals at these places to serve as "human shields." Baghdad observers believe that Iraq has lost the arrogant air that it wore right after the invasion of Kuwait, and generally speaking, the military deployment would constitute a defensive posture. However, these observers also pointed out that if the West and the international community apply excessive pressure and force Iraq into a corner, it will be hard to totally rule out the possibility of its biting the bullet and seeking a way out through a war.

In the military stand-off in the Gulf, the United States, in sending troops to the Gulf through operation "Desert Shield," has already dispatched a 165,000-strong fighting force to the Gulf region, including 100,000 deployed in Saudi Arabia, and "has entered a state of combat readiness." At present, with the assistance of Western allies, the United States is still stepping up troop deployment by air and by sea. U.S. military sources said that in the next few weeks, U.S. troop build-up in the Gulf will reach 250,000 men and 1,000 tanks. At the same time, the United States has amassed more than 50 naval vessels of varying types and 440 jetfighters in the Gulf region, forming a tight air and naval firing line from the Red Sea to the Arabian Sea, and from Saudi Arabia to Oman, the UAE, Qatar, and Bahrain. A frontline command headed by General Norman Schwarzkopf has been set up in the Saudi capital of Riyadh to direct ground, air, and naval operations.

Even as it deployed its own troops, the United States worked on its Western allies, asking them to "send men, arms, and money according to their ability" in order to provide multifaceted reinforcement to the multinational forces spearheaded by the United States. Twelve countries including Britain, France, Italy, Canada, Belgium, and Australia have sent forces to the Gulf, but mostly naval and air forces. Recently, Britain agreed to transfer 6,000 men and 120 tanks belonging to the 7th Armoured Brigade based in West Germany to Saudi Arabia, while France has decided to despatch a 4,000 strong ground force, 48 tanks, and more than a hundred fighter helicopters to Saudi Arabia, too. The United States also tried hard to convince Arab states to send troops. Originally, Egypt, Syria, and Morocco sent 6,000, 4,000, and 1,700 men, respectively. Recently, Egypt agreed to send an additional 14,000 men including some armored troopers. After a visit by Baker, Syria decided to dispatch an armored division of 15,000 men and 270 tanks. These, together with Saudi Arabia's 38,000 strong ground forces, troops from Kuwait, the UAE, Bahrain, Qatar, and Oman as well as those promised by Pakistan, Bangladesh, and Senegal, will soon form a nearly 100,000 strong Arab Islamic Army. According to the commander of this force, General Halid Ibn Sultan of the Saudi's special ground force, the Army is an independent one but will work with the U.S. forces "to display its unique superiorities in ground combat."

The build-up of such massive forces in the Gulf region will incur a huge expenditure for the United States. U.S. military sources estimated that under circumstances in which no war breaks out, 2.5 billion dollars will be needed by the end of September and 15 billion dollars by the end of the 1991 fiscal year on 30 September next year. With successive years of budgetary deficits and cutbacks in the military budget in the United States, such a huge expenditure is a big headache for the government. Recently, Baker and Treasury Secretary Brady visited Western Europe, Southeast Asia, and the Middle East to ask its rich allies and the Gulf states "to share fairly in the task of safeguarding peace." Japan agreed to give 4 billion dollars, West Germany 2 billion dollars, and Saudi Arabia, Kuwait, and the UAE jointly, 12 billion dollars. Americans were pleased with these contributions and believed that they provide "the insurance of reliable logistics" to win the Gulf war.

What will be the United States' next move? It is generally believed that the United States will not take the initiative to engage in massive military action in the near future, the reason being that it is concerned that a war might cause heavy casualties, harm to the hostages, and possibly, the destruction of oil wells. Besides, it needs to wait and see if international economic sanctions against Iraq bear fruit and whether changes will take place within the ruling clique in Iraq. The U.S. media widely maintained that after U.S. military deployment is completed by the end of October, the U.S. Government will then make the final decision on whether it will be war or it will be peace.

Qian Qichen Sends Message to Bangladesh Minister

*BK0410120490 Beijing International Service
in Bengali 1500 GMT 3 Oct 90*

[Text] Qian Qichen, the Chinese foreign minister, has sent a message of felicitations today to Anisul Islam Mahmud, the Bangladeshi foreign minister, on the occasion of the 15th anniversary of the establishment of diplomatic ties between the PRC and Bangladesh, which will be observed tomorrow.

In his message, Qian Qichen said: I extend my hearty and sincere greetings to you on the occasion of the 15th anniversary of the establishment of diplomatic ties between the PRC and Bangladesh. The friendship between the two countries and the friendly and cooperative relationship between the two governments has been steadily growing for the last 15 years since the establishment of our ties.

Our two countries, in keeping with the five principles of peaceful coexistence, have been supporting each other not only in international issues alone, but also in internal development activities. The high-level exchange of visits between the two countries and the active efforts by their people have greatly contributed to the growth of Sino-Bangladesh friendship. I firmly believe that the Sino-Bangladesh friendship will further develop and expand in the years to come. On this occasion, I wish for Bangladesh's further development and for prosperity for its industrious people.

Ministry Plans To Balance Trade With Bangladesh

*HK0510034890 Beijing CHINA DAILY in English
5 Oct 90 p 2*

[By staff reporter Chang Weimin]

[Text] China is making every effort to buy more from Bangladesh in order to balance its trade with that country, according to an official from the Ministry of Foreign Economic Relations and Trade (MOFERT).

Latest Customs statistics show that China's exports to Bangladesh in the first eight months of this year stood at \$96 million, up by 36 percent over the corresponding months of last year.

Meanwhile, exports from Bangladesh to China amounted to \$35 million, up by 16 percent.

Bilateral trade volume between China and Bangladesh jumped to \$227 million last year, a 75 percent rise over the previous year.

"We've been expecting a balanced trade with that country," the official said. "To this end, we'll make further efforts."

He said China was prepared to allow chemical fertilizers such as urea to be imported from Bangladesh in a bid to balance the trade between the two.

He told CHINA DAILY there had been a steady growth in exports of machinery and electrical equipment to Bangladesh this year, adding that this increase was expected to continue for the remainder of the year.

Last year, China sold \$45 million worth of machinery and electrical equipment to Bangladesh, 24 percent of its total exports to that country.

The percentage was likely to increase this year, the official said.

Bangladesh sells animal hide and jute to China and buys machinery, electrical equipment, chemicals, medicine and light industrial products from this country.

Opinion Poll Conducted on Indian-PRC Relations

OW0410154390 Beijing XINHUA in English
1520 GMT 4 Oct 90

[Text] New Delhi, October 4 (XINHUA)—The Indian people were optimistic about relations with China improving a great deal in the coming year, according to the findings of an opinion poll conducted among literate adults in India's four metropolitan cities.

The poll, carried out by the Indian Institute of Public Opinion, reveals that the majority of those interviewed mentioned that India's relations with China have been more positive than negative during the past one year, primarily because of the fairly successful parleys between the foreign ministers of the two countries.

Their perceptions on India's relations with Nepal are by and large the same as in the case of China. Their optimism stems from the successful visit of Nepal's prime minister to New Delhi and that of India's foreign minister to Kathmandu.

Some perceive an improvement in relations between India and Sri Lanka also during the next one year or so.

The people are pessimistic in their views on India's relations with Pakistan. The failure of the meetings of the foreign secretaries of both countries in New Delhi and Islamabad in the past few months does not make them hopeful of relations improving in the near future.

Oman Foreign Affairs Adviser To Visit 10-17 Oct

OW0410121690 Beijing XINHUA in English
1115 GMT 4 Oct 90

[Text] Beijing, October 4 (XINHUA)—Dr. Omar al-Zawawi, foreign affairs adviser to the head of state of the Sultanate of Oman, will pay a goodwill visit to China from October 10 to 17 at the invitation of the Chinese Government.

West Europe

EEC Group To Assess Milk Aid Project

HK0510040590 Beijing CHINA DAILY in English
5 Oct 90 p 2

[By staff reporter Wu Yunhe]

[Text] A European Economic Community delegation is in Beijing to evaluate an EEC milk aid project and decide whether to continue the aid to China after 1992 when it is scheduled to stop.

The eight-member delegation, which arrived in the capital on Monday, will stay in China four weeks to conduct investigations into the milk project in Beijing, Chongqing, Changsha, Guangzhou, Shenyang and Tianjin.

Under the project contract, the EEC is to supply the country with skimmed milk powder and butter worth about \$100 million during the 1988-1992 period.

And income from the project must be spent on developing the country's dairy industry.

China is keen to prolong the project, which has enabled the government to provide the country's 20 major cities with adequate milk supplies, according to the Ministry of Agriculture.

A ministry official said, "we plan to grab this chance to explore with the EEC officials in China the cooperative possibilities for the establishment of a new milk aid project in 1992."

The official said the project had gone smoothly so far.

Thanks to the project, he said, the income from the sale of dairy products made with the milk powder and butter provided by the EEC had greatly promoted dairy production in China.

Milk output was expected to increase 7.7 percent to 1.02 million tons this year in the country's 20 major cities, the official said.

The number of dairy cows would increase 7.6 percent to 327,000 this year in those areas.

He said the country would strive to ensure a growth rate of 9.2 percent next year to meet the ambitious goal of having nearly 390,000 head of milk cows in those areas by 1992.

Between 1984 and 1988, he said, the United Nations' World Food Programme gave 45,000 tons of skimmed milk powder and 13,300 tons of butter to China in an aid package worth \$60 million. This had been done to help overcome the milk shortage in the cities of Beijing, Tianjin, Nanjing, Xian, Wuhan and Shanghai. The EEC took over the project at the end of 1988.

By the end of September this year, China had received just over 28,000 tons of skimmed milk powder and 11,050 tons of butter from the EEC, the official said.

Last year, the dairy supply departments in the 20 cities sold 792,600 tons of milk, up 34 percent from the 1988 figure.

The official said the ministry would also use the EEC's economic aid, coupled with local investment, to build five new farms for milk production.

Meanwhile, 57 existing dairy farms were due to be expanded this year, he added.

Milk production, and the service system and dairy products and fodder processing industries in the cities would be improved this year with funds from both the EEC and the Chinese Government, he said.

Zhu Liang, Italian Leaders Hold Discussions

OW0410191490 Beijing XINHUA Domestic Service
in Chinese 1007 GMT 4 Oct 90

[Text] Rome, 3 Oct (XINHUA)—This afternoon, Italian Prime Minister Andreotti met with Zhu Liang, member of the CPC Central Committee and head of its International Liaison Department, who is currently on a visit here. Both sides exchanged views in a friendly atmosphere on the current Gulf situation, relations between China and the European Community, and Sino-Italian relations.

Speaking on the Gulf crisis, Zhu Liang expounded on the principled Chinese stand. He emphatically pointed out that China hopes all parties concerned will exercise restraint, do their utmost to avoid war, and settle the Gulf crisis peacefully. Andreotti expressed complete agreement. He praised the important role played by China in the U.N. Security Council and maintained that the correct stand taken by China in the Security Council has played a positive role in bringing the Gulf situation under control.

Touching on bilateral relations, Andreotti stressed that friendly relations between Italy and China are long standing and well established, that the Italian Government has all along adopted a positive attitude in its cooperation with China, and that it is still willing to follow the original path to continue and strengthen contacts and cooperation with China in all areas. Zhu Liang gave a positive appraisal of the efforts made by Andreotti to promote political, economic, and cultural cooperation between China and Italy over the years. He hoped that the friendly and cooperative relations between the European Community and China, and between Italy and China can be promptly restored and expanded.

Li Baoheng, Chinese ambassador to Italy, was present during the meeting.

In the afternoon, Zhu Liang also met with Si-ke-di [2448 4430 5530, name as transliterated], chairman of the caucus of the Chamber of Deputies of the Christian Democratic Party of Italy, and others. Si-ke-di expressed extreme satisfaction with the success he achieved leading a delegation of the caucus of the Chamber of Deputies of the Christian Democratic Party on a recent visit to China. He was pleased with the gradual resumption of relations between Italy and China. Zhu Liang praised the efforts made by prominent figures of the Christian Democratic Party since the visit to actively promote Italy's relations with China, and welcomed the leaders of the Christian Democratic Party to send a delegation to visit China at their convenience.

East Europe

Chinese Ambassador to Hungary Interviewed

AU0410094090 Budapest MAGYAR HIRLAP
in Hungarian 28 Sep 90 p 6

[Interview with Dai Bingguo, Chinese ambassador to Budapest, by Csilla Medgyesi: "There Are Differences, But There Are No Conflicting Interests"; place and date not given—first paragraph is MAGYAR HIRLAP introduction]

[Excerpts] The last time that the PRC was front page news in the Hungarian press were when Soviet-Chinese relations were being structured, at the time of Mikhail Gorbachev's visit to Beijing, and, more recently, in connection with the events in Tiananmen Square. However, since that time, major changes have been taking place in Hungary, and we have not really followed what is happening at the other end of the world. In any case, we know little about the PRC, and we do not know how the Chinese look upon what is happening in Hungary, and in the world. We asked Dai Bingguo about these issues.

[Bingguo] I arrived in Hungary after your significant changes, which Hungarians refer to as a change of regime. The world paid much attention to what was happening in your country, as well as in the whole of Central and Eastern Europe, but I would not like to make value judgments about these changes. We think that these are the internal affairs of a particular country. Every nation decides on the direction in which it is going to develop, and it is also the people's task to evaluate the changes that have taken place.

I would not like to give the impression that the PRC is interfering in these affairs. We believe in settling interstate relations on the basis of the five principles of peaceful coexistence, and we respect the decision of every country. This also applies to the nations of Central and Eastern Europe. We sincerely hope that society will be stable, and that the economy will develop in these countries, and we hope that the changes that have taken place will contribute to European stability, as well as peace in the world.

As far as our bilateral relations are concerned, the PRC has found it very important to maintain and develop normal relations with the countries of Eastern Europe, including Hungary, and this policy also applies for the future. I think that there are differences between our countries, but there are no conflicting interests. [passage omitted]

[Medgyesi] How are Chinese-Soviet relations developing? You are an expert on Soviet matters; how do you envisage the future of the Soviet Union?

[Bingguo] For a long time, relations between our countries were rather cold, but the situation was normalized during Mikhail Gorbachev's 1989 visit to Beijing. I personally took part in the preparatory work for the Soviet leader's visit; it was very tense, but extremely interesting work. At the time, we issued a joint declaration, stating that the PRC and the Soviet Union would develop new inter-state relations based on the principles of peaceful coexistence. This year, Prime minister Li Peng visited Moscow, and his visit gave a new boost to the development of our relations. During the last year, our relations in matters of politics, economics, science and technology, and culture have visibly improved. That is as it should be, because we are neighbors, and furthermore, the normalization of our relations is important not only for our two nations, but also from the point of view of world peace. [passage omitted]

[Medgyesi] From the point of view of Asian security, the future of the two Korean states is a very important issue. What is the PRC's opinion on a possible reunification of the two Korean states?

[Bingguo] Indeed, the future of Korea is a very important issue. I sincerely hope that the Korean peninsula will experience detente, and that the Northern and Southern part of Korea will peacefully solve the issue of reunification by means of negotiation. A first meeting at the prime ministerial level was recently held. The PRC welcomes these negotiations, and it hopes that dialogue will continue between the two states. [passage omitted]

[Medgyesi] A year ago, the world press focused on the PRC in connection with the events in Tiananmen Square. However, we know less about the developments in Chinese domestic policy since that time.

[Bingguo] A year has passed since last year's storm, and today, our domestic policy situation is favorable and stable, on the whole. We have achieved rather good results in our economy, and our national product value is expected to increase by five percent. If you paid a visit to the PRC these days, you would notice that the market is active, supplies are satisfactory, there is a great choice of products, and prices are stable. The population is content. [passage omitted]

Latin America & Caribbean

Latin American Envoys Give Receptions

OW0210191290 Beijing XINHUA Domestic Service in Chinese 1156 GMT 2 Oct 90

[Text] Beijing, 1 Oct (XINHUA)—The Chinese ambassadors to Uruguay, Ecuador, Trinidad and Tobago, Bolivia and Suriname, and the charge d'affaires ad interim of the Chinese Embassies in Chile and Peru hosted receptions on 1 October to celebrate the 41st anniversary of the founding of the PRC.

Among those who attended the receptions were Uruguayan Government ministers and senators; Ecuadorean Acting Foreign Minister Aleman; Bolivian Vice President and Speaker of the National Assembly Ossio; Chilean Acting Foreign Minister Edmundo Vargas; and Peruvian First Vice President and Senate Chairman Maximo San Roman, House Speaker Victor Paredes, and former president Belaunde.

China's Decision Regarding Tin Group Noted

OW0410032990 Beijing XINHUA in English 0122 GMT 4 Oct 90

[Excerpts] Mexico City, October 3 (XINHUA)—Following are Latin American economic news briefs today: [passage omitted]

Cochabamba, Bolivia—Delegates of the Association of Tin Exporting Countries agreed to reduce quotas by 6 percent in 1990 in a move designed to push up international prices for the metal, Bolivian Mining Minister Walter Soriano said Tuesday.

The decision was made after Brazil and China declined to join the association, which Soriano described as disappointing because the two nations account for 45 percent of the world's tin production. [passage omitted]

Costa Rica Reportedly Imports PRC Beans

OW0510062890 Beijing XINHUA in English 0310 GMT 5 Oct 90

[Text] San Jose, October 4 (XINHUA)—Costa Rica will import 6,600 tons of beans from China to ensure a three-month supply this year, Costa Rican official sources informed.

The Costa Rican Government purchased grain from China through a specialized U.S. company whose representative in Costa Rica is the Fabio Herrera Firm.

At present, China and Costa Rica have no formal diplomatic relations.

The announcement was made Wednesday here by Agriculture and Livestock Minister Juan Rafael Lizao and by National Production Council (CNP) Executive President Constantino Gonzalez.

One thousand more tons of beans could be imported in December, although Costa Rica will start reaping its own bean crops in the south of the country at the end of the year, he said.

The beans will be loaded in the Chinese port of Tianjin in northern China under the supervision of a CNP official and three other executives from the U.S. company, the CNP informed.

Costa Rica purchased the grain at a reasonable cost insurance and freight (cif) value of 815 dollars a ton.

Guyana Friendship Society Marks National Day

OW0410125190 Beijing XINHUA Domestic Service
in Chinese 0919 GMT 3 Oct 90

[Text] Georgetown, 2 Oct (XINHUA) — The Guyana-China Friendship Association hosted a banquet on 1 October to warmly celebrate the 41st anniversary of the founding of the PRC.

Guyanese President and Mme. Hoyte, Vice President and Prime Minister Green, and other senior officials attended the banquet. Prime Minister Green and Chinese Ambassador to Guyana Yang Zengye separately proposed toasts during the banquet, wishing improvement of China-Guyana friendship and cooperative relations day by day and also wishing satisfactory success to the 11th Asian Games.

The Guyana-China Friendship Association held a meeting in the City Hall of Georgetown on 28 September to mark the 41st national day of China. Ambassador Yang Zengye briefed the personages of various circles at the meeting on the achievements scored by China in its economic construction during the period of 41 years since its founding and, in particular, on China's successes achieved in the recent 11 years since the implementation of the reform and open policy.

Mexican Training Vessel Makes Goodwill Visit

OW0410222690 Shanghai City Service in Mandarin
1000 GMT 4 Oct 90

[Report by station reporter (Yao Shukun) from the "News and Weather" program]

[Text] The training vessel (Kuawutmurk) of the Mexican Navy arrived in Shanghai for a five-day goodwill visit on 4 October. This is the second visit to China by a Mexican warship since July, 1976. The vessel is a three-masted sailing ship with a displacement of 1,800 tons. The ship has a total of 282 officers and men. Colonel (Quewas), captain of the (Kuawutmurk) separately visited the municipal people's government and the naval base in Shanghai on the afternoon of 4 October.

Political & Social

Yang Shangkun, Deng Try To Soothe Army Veterans

HK0510015190 Hong Kong CHENG MING in Chinese No 156, 1 Oct 90 pp 14-15

["Notes on the Northern Journey" by Lo Ping 5012 0393 "Yang Shangkun Runs Into Stone Wall in his 'Public Relations' Activities"]

[Text] To soothe the resentment of the high-level military leaders against the Yangs, Yang Shangkun recently carried out a series of activities. He called on old marshals and tried to appease veteran cadres, for fear that the veteran cadres would unite against him.

Yang Shangkun returned to Beijing on 23 August after spending his holidays in Beidaihe and, on the afternoon of 25 August, met with members of the Standing Committee of the Central Military Commission and main responsible persons of various general departments. Yang Shangkun said, as if he was speaking to himself: "I reported for duty at the central authorities yesterday and can start working now!"

Yang Shangkun Affects a High Moral Tone of Solidarity

After the recent military reshuffle, some veteran military cadres, half drunk, "called the names" of Yang Shangkun and Yang Baibing in the Great Hall of the People on the evening of "1 August." Yang Shangkun had already learned this when he was still in Beidaihe. For this reason, when talking with the senior military cadres after returning to Beijing, he particularly emphasized solidarity in the Army. He said: "Recently, some unharmonious voices have appeared in the Army. Especially, some veteran comrades seemed to be at the height of their anger. This is not good." He continued: "The whole Army is well united. This could be proved by last year's suppression of the riot. Why did Romania collapse? The fundamental problem was that the army was split up. The Army is the pillar of our country. All members of this Army, especially all leading cadres and veteran cadres, must look at things from this height. The state is just like a ship. If the ship turns turtle, all of us will be drowned in the sea." At that time, a leading cadre expressed some veteran cadres' strong aversion to the formulation of the "August countercurrent." Yang immediately denied that he had said so. He said: "Some people said I have said this. But that is a political rumor. You must be alert at that." It was said that Deng Xiaoping also had an aversion to that.

Yang Fetes Veteran Cadres, but Does Not Succeed

Jiang Zemin, Li Peng, Wan Li, and Chen Xitong went to see Yang Shangkun one after another after he returned to Beijing. On behalf of the people of Beijing, Chen Xitong wished him health and a long life. But Deng Xiaoping had refused any visits. Deng's office said that as everyone was very busy, they should concentrate their

energy on work. But Deng Xiaoping was paying great attention to the Asian Games.

To soothe the resentment of the high-level military cadres, Yang Shangkun went to see many old generals and veteran cadres after returning to Beijing.

He was most busy on 29 August. In the morning and afternoon, he met with three important foreign guests respectively in the Daiyutai State Guesthouse. In the evening, he had to rush to the small banquet room of the Great Hall of the People to fete more than 20 veteran cadres. It was said that after the veteran cadres heard this, they made phone calls to each other, and most of them said they would not go. But Chen Xilian and some other veteran cadres said: "If no one goes, it will put him in an awkward situation. We had better go and see." However, Yang Shangkun was still disappointed to find that only four or five veteran cadres had come to his banquet. Other veteran cadres had refused to attend the banquet on an excuse of being sick or had just sent their secretaries to it. Although Yang Shangkun was displeased by this, he pretended that nothing had ever happened and said, as if he was telling himself: "I was well tanned when I was in Beidaihe for several weeks, and I have also gained weight. But after returning to Beijing, I have been very busy. I do not even have sufficient time to meet with foreign guests!"

Zhang Aiping Is Staying in China-Japan Friendship Hospital

It was a big banquet. But the unharmonious atmosphere did not quite suit it. Colonel Xing, secretary to Yang Dezhi, and Chen Zaidao's personal secretary said before the banquet: "Enjoy our meal first before starting to say anything." Li Desheng's personal secretary told people on a private occasion after the banquet: "Yang Shangkun's banquet only benefited some small secretaries. Some had taken home the remaining dishes, saying they would give them to their leaders. But actually they just took them home." The banquet produced some good effects among the secretaries, because it was the first time "President Yang" had invited so many low-level secretaries to dine together. After the banquet, Yang Shangkun said, assuming a tone of humor: "According to regulations, each person who has come to the banquet should pay one and a half yuan. Anyone who has no grain certificate should pay 50 cents more." A veteran general, who was fond of poking his nose into other people's business, then asked: "Who will be responsible for the banquet expenses?" Someone who was on duty in the military commission replied: "Perhaps it will be charged to the reserve fund account of the secretary-general of the military commission." Yang Shangkun also asked his personal secretary to send some local products he had brought back from Beidaihe to Marshals Xu and Nie and four bottles of maotai to General Zhang Aiping. In a half-joking manner he asked his secretary: "Can you fulfill the task?"

It was said that Zhang Aiping was staying in the China-Japan Friendship Hospital. On hearing that Yang Shangkun had denied having criticized the so-called "August countercurrent," he said angrily: "If one dares to say anything, one should dare to assume the responsibility for it. What kind of person is one if one dares not assume the responsibility?"

Why should Yang Shangkun give the banquet? It is because he knew very well that veteran cadres were bearing resentments against him, and especially against Yang Baibing. But Jiang Zemin, chairman of the Central Military Commission, was taking a policy of keeping close to the veteran cadres. If Yang Baibing and himself insisted on opposing the veteran military cadres, they might be put in an unfavorable position. Especially, as Marshal Xu Xiangqian (who died on 21 September) and Marshal Nie Rongzhen were still alive at that time, if the veteran military cadres really formed an alliance, an atmosphere of opposing the Yangs could easily be created. But at present, as stability has been repeatedly emphasized within the party and the Army, if the veteran cadres are not forced too much, they will still not take radical measures.

Deng Xiaoping Criticized Yang Baibing

Deng Xiaoping is paying great attention to the ideological trend among some veteran military cadres. He has his own views on each of the veteran cadres. It was said that after Deng Xiaoping returned to Beijing from Beidaihe, he called Yang Baibing to his home. Among those who had been invited were also Liu Huaqing and others. In the presence of Yang Baibing, he once again praised Jiang Zemin but criticized Yang Baibing and others for not respecting veteran cadres. Deng Xiaoping said: "Some veteran comrades have certain complaints about the military commission. Now that you are in power, you should listen to their opinions more and let them fully air their views. Otherwise as their anger is still burning, clashes will continue, and that is not good!" Deng continued: On this question, you should all learn from Jiang Zemin. Comrade Wang Zhen reminded him to rely on the veterans at the higher levels and rely on the common soldiers at the lower levels. That is quite reasonable. Otherwise, how could you command the Army?

Sources said that Yang Baibing tried his best to explain that he had respected the veteran cadres and said repeatedly that in the future, he "will listen to the opinions of the veteran comrades on more occasions." He looked in an extremely awkward position.

Old Military Heads Expressed Dissatisfaction Toward the "4 June" Suppression

To soothe the resentment of some old military heads, Deng Xiaoping invited more than 10 old military heads, including Yang Dezhi and Song Shilun, to a personal tea party. During the conversation, some people criticized certain practices of Yang Baibing. Deng explained to the veteran generals and said: "Comrade Shangkun also has

some ideas. You should have more exchange of views. Some of your differences are just misunderstandings, and they can be solved through conversation."

Some veteran cadres said they still held a different view on the "4 June" suppression. After carefully listening to their opinions, Deng said: "I know it very well. Not only the veteran comrades, but also some middle-age cadres and children are still rather sulky. We should not dispute over the right and wrong of the matter at present. Stabilizing China would mean the greatest victory for us. Otherwise, there will be great disorder in China. Now, even some politicians in the West have come to understand this. Perhaps this is also an example showing that the onlooker sees the game best!"

Deng Admits Responsibility for "4 June"

Deng also said: "In my opinion, we should not dispute over concrete matters such as what we should have done at that time and whether the Army should have been involved. As to the appraisal of the event by historians, it is their business. If it is regarded as a meritorious contribution, you will all share the honor; if it is regarded as something wrong and anyone should be held responsible for it, I will personally bear the responsibility, because I was chairman of the military commission at that time." This was the first time after the "4 June" Incident Deng Xiaoping mentioned the incident in the presence of so many veteran generals. He was talking to the veteran generals in a manner of having full confidence in the latter. He also encouraged the veteran generals to show further concern for Army affairs. He said: You have all engaged in Army work in your past careers, and you will surely feel uncomfortable if you are not allowed to take care of the Army affairs. When you have time, you may go down to the lower levels on more occasions. Comrade Jiang Zemin proposed to appoint some veteran comrades as liaison men of the military commission. That is a good idea!

As Deng Xiaoping has personally done something to soothe the veteran cadres in addition to Yang Shangkun's banquet and regards, the anger of some veteran cadres has gradually disappeared. However, their resentment against the Yangs has not yet completely disappeared because of this. It is believed that for a period to come, the Yangs will use dual tactics, that is, "respecting them" while "staying at a respectful distance from them," toward the veteran cadres, so that they can finally get rid of the latter.

Further on Jiang Zemin's Inner Mongolia Tour

OW0510044890 Beijing XINHUA Domestic Service
in Chinese 0450 GMT 4 Oct 90

[Newsletter by XINHUA reporters Zou Aiguo (6760 1947 0948), He Dongjun (0149 2639 0689) and Luo Yuwen (5012 3768 2429): "The General Secretary's Inner Mongolia Visit"]

[Text] Hohhot, 4 Oct (XINHUA)—This is a vast magnificent highland. Its shape looks like a hovering eagle spreading its wings and hovering over the northern part of the motherland. The luxuriant grasslands, the thick forests, the rippling lakes, the mountains with peaks rising one higher than another, the industrious and ingenious people—all these unite to compose a resounding, simple, and unsophisticated symphony beyond the Great Wall. This is Inner Mongolia Autonomous Region, China's first region where regional autonomy of minority nationalities has been practiced.

From 23 to 30 September, General Secretary Jiang Zemin made an eight-day inspection tour in this magical land. On the picturesque Hulun Buir prairie, in the beautiful fertile Hetao irrigation area, and in the colorful Ordos highland, Jiang Zemin went deep into pastoral areas, industrial and mining districts and rural areas to conduct investigation and study and cordially converse with workers, peasants, herdsmen, scientists, technicians, and cadres.

I.

On the Hulun Buir prairie permeated with autumnal tints, the azure blue sky is bright and clear. Fields of golden herbage rise one after another, and flocks of snow-white sheep are now visible, now invisible. On the afternoon of 23 September, a gratifying piece of news prevailed on the prairie: "General Secretary Jiang Zemin is coming!"

Herdswomen who rushed here after hearing the news presented pure white scarfs and mellow, sweet wine made from mare's milk to guests from afar. Looking at the riders who crowded around, Jiang Zemin cheerfully said: "Your horses grow so strong!" "These are Xinihe horses, and they are a good breed of horses," a rider told the general secretary.

"Why are the riders mostly women?" asked Jiang Zemin. A horsewoman straightforwardly answered: "Most of the men have gone to gather forage grass to store fodder for overwintering livestock." "That's great! Women have held up half the sky." Jiang Zemin praised them while shaking hands with herdswomen and said: "Come on, let's pose for a photo!" Herdsmen and herdswomen soon crowded around, while Jiang Zemin took a little girl in a red jacket in his arms, saying: "Look! You have grown so strong! Is this because you eat a lot of cheese, or not?" Hearing this remark, everybody laughed.

Galasennima, a herdsman, was both surprised and excited. The general secretary took him by the hand and entered a yurt. Jiang Zemin asked him at great length about the size of his family, how well he raised his cattle, and how much income he had earned. Galasennima told the general secretary that his family consisted of eight members, that last year his income was 30,000 yuan and that they all enjoyed a comfortable life!

The hostess brought in wine made from mare's milk. Jiang Zemin raised his glass and proposed a toast to the good luck of the herdsmen. He wished them happier days in years to come.

Wuliji, head of Hulun Buir League, said: In the past, it was the custom here to propose a toast to heaven, to earth, and to God. Today, herdsmen have a new interpretation of the custom: First, be in unison with the party Central Committee; second, seriously implement the guidelines laid down by the Sixth Plenary Session of the 13th CPC Central Committee and maintain close ties with the masses; and third, welcome guests coming from afar.

After shaking hands and bidding farewell to the host, Jiang Zemin and his party got into a station wagon, which slowly departed. Herdsmen on horseback rode on and on alongside. Jiang Zemin immediately asked the driver to stop, got out of the car, made an obeisance by cupping one hand in the other before his chest, and said to the herdsmen: "Please go back! I wish you success in everything!" The herdsmen said to the guests: "Bon voyage!"

The stage wagon raced onto the prairie and across the smooth grasslands and crossed over the meandering hills. A modern open coal pit appeared before Jiang Zemin and other comrades. Wang Qun, secretary of the Inner Mongolia Autonomous Region party committee, told everyone that this was Yiminhe Coalfield, one of the five major open coal pits under the state plan, whose deposits are more than 5 billion metric tons.

Jiang Zemin stopped before a huge single-dipper power shovel. The power shovel was seen planing open a naked coal bed. The black gold that was dug out was packed on a truck and carried away. Jiang Zemin zestfully asked: "What technology do you adopt?" Zhang Tongren, deputy commander of the coal pit, answered: "This is called single-dipper truck technology, which means digging coal with a single-dipper power shovel and using trucks to transport the coal."

While the conversation was going on, workers crowded around. Jiang Zemin stretched out his hand and said: "You comrades have been working hard!" Then he again asked a truck driver: "How many metric tons of coal can you transport each day?" The answer was: For 24 hours a day, a truck 68 metric tons in weight may transport 2,400 to 2,500 metric tons of coal.

Jiang Zemin praised this, saying: "The efficiency is really higher!" He turned around and asked Zhang Tongren again: "How many shifts is a day divided into?" "Three shifts." Jiang Zemin bid the leading comrades: "We must serve workers well. They are creating wealth for the state."

More and more workers gathered around Jiang Zemin. Jiang Zemin asked them: "Did you watch yesterday's Asian Games opening ceremony on television?" Workers replied in one voice: "We did. It was very

inspiring!" A worker squeezed through the crowd and said loudly: "General secretary, we won the first gold medal today. It was women's weight lifting." "That is good." Jiang Zemin said, "As long as all Chinese people unite together, we can succeed in anything we do."

Everyone could not help applauding loudly to show their approval.

II.

In the great prairie in midwest Inner Mongolia, there is a shiny precious stone. It is Baotou, a well known steel city of the prairie. Comrade Jiang Zemin, who flew to Baotou from Hailar at noon on 25 September, made an inspection trip on the afternoon of the same day to the Baotou Steel and Rare Earth Corporation on the north bank of the Huang He.

Jiang Zemin, wearing a yellow safety helmet, climbed up a staircase to the No. 3 blast furnace operating room of the iron smelting plant. Looking at a photograph of Premier Zhou Enlai cutting the ribbon for the No. 1 blast furnace of the iron smelting plant, which was hung high on the wall, Jiang Zemin stood for a long while and then asked: "In what year did Premier Zhou come to cut the ribbon?" Shi Yuhua, secretary of the CPC Committee of the Baotou Steel Corporation, replied: "It was on 15 October 1959." Jiang Zemin said with deep affection: "It has been 30 years. The Baotou Steel Corporation has made great process in the past 30 years. We should remember forever Premier Zhou's concern for us. We should model ourselves on Premier Zhou's personal integrity and spirit."

Shi Yuhua told reporters that Premier Zhou earnestly exhorted leaders of the Baotou Steel Corporation to take good care of the blast furnace. He said: In the past 30 years, staff members and workers of all nationalities of the corporation have devoted themselves to working with the furnace, turning out 28 million metric tons of pig iron for the motherland's socialist construction. They will strive to turn out 3 million metric tons of pig iron in the Eighth Five-Year Plan period.

"Good!" Jiang Zemin said, "The Baotou Steel Corporation's development in the past 30 years mainly should be owed to the hard work of its workers. To carry out the socialist modernization program, we need such work enthusiasm in addition to science and technology."

Climbing down from the 84-meter-high No. 3 blast furnace, Jiang Zemin warmly shook hands and cordially talked with senior engineer Tang Cixiao and model workers Chen Ronggui and Pan Deen. Comrades of the factory told Jiang Zemin that Tang Cixiao was China's well-known coking expert and a deputy to the Seventh National People's Congress, and that since graduating from university, she had dedicated herself to the coking industry, and had made outstanding contributions. Jiang Zemin tightly grasped Tang Cixiao's hands and said: "Thank you."

On 26 September, the station wagon used by Jiang Zemin and his entourage flew across the Huang He and arrived in the Ordos Highland, which is 1,500 meters above sea level. Wang Qun told the general secretary: In the past, the Ordos Highland was regarded as a remote and deserted area. Today, unprecedented changes have taken place in this area. One million people of all nationalities have worked in high spirits to transform desert into cultivated land and to plant trees and cultivate grasses. They have worked at a speed of 3 million mu per year, turning naked desert into cultivated land.

Jiang Zemin smiled happily while he looked through the window at rows of white poplars and red willows and numerous dunes where grasses and trees grow in great quantities, passing quickly as the car flew by.

Wang Qun said: "Inner Mongolia has made considerable progress in the agricultural and animal husbandry industry in the last few years. Its animal husbandry industry has reaped bumper harvests for six straight years, and its grain production has increased by a large margin, setting historical highs for several years in a row."

Jiang Zemin said: "Agriculture is the foundation of the national economy. We should continue to put agriculture in a strategic position and make all-out efforts to ensure good agricultural development."

In Ejin Horo Banner, Jiang Zemin visited the home of Wang Tiezhu, a herdsman of the Mongolian nationality. Jiang Zemin sat cross-legged on a heated brick bed and chatted with the host.

Jiang Zemin asked Wang Tiezhu: "How many goats does your family eat every year?" Wang Tiezhu, all smiles, said: "We eat more than 10 every year, totalling 500 or 600 jin of mutton. That is one to two jin daily on the average." "In addition to mutton, we eat beef and raise pigs and chicken," Wang Tiezhu added. Jiang Zemin asked: "Where do you get your drinking water from?" Wang Tiezhu replied: "We get drinking water from the well. We have a pressurized well."

Jiang Zemin, looking at Wang Tiezhu's daughter, asked: "People here live scattered about. Do you have any problems sending your children to school? Are there any schools around here?" Wang Tiezhu replied: "A primary school is four kilometers from here. We have to send our children to the school and pick them up at the school." "What about secondary school?" "A secondary school is farther from here. All students are boarders." Jiang Zemin said to Wang Tiezhu: "Educating the younger generation is a matter of great importance. You must let your children go to school."

Before leaving, Jiang Zemin had a photograph taken with Wang Tiezhu and his family. Jiang Zemin reminded press photographers: "Don't forget to send me the photos."

III.

At 1500 on 27 September, Jiang Zemin and his party arrived by train in Dengkou County in western Inner Mongolia. Without stopping for a rest, they took a car to inspect the Huang He Sanshengong water conservancy and irrigation project.

Dengkou County is located at the southern part of Bayannur League. The rushing water of the Huang He turns gentle here as it heads north. The project which was completed in 1961 ensures the water needed for irrigation and transforms the situation of severe droughts and floods experienced in the past.

Jiang Zemin walked to the top of the floodgate across the river, and observed the water flowing north. He asked Liu Ruixi, director of the management bureau: "This project was completed 29 years ago, how is it functioning?"

Liu Ruixi said: This irrigation project covers an area of more than 7.5 million mu. The drainage capacity is 5 billion cubic meters. It supplies water to Baoshan Steel Mill at 100 cubic meters per second. The benefits generated by this project in the past 30 years have been enormous.

Jiang Zemin said: "When there is water, there is life and oasis. There was a saying in the past that the Huang He is a calamity except for the Great Bend. It seems that we can only build the Great Bend area into the 'lush fields to the north of the Great Wall by harnessing the river.'"

The roaring water caught the attention of Comrade Jiang Zemin as he walked down the floodgates. Yang Zhirong, secretary of Bayannur League CPC Committee, said: The completion of the Sanshengong water conservancy project in general has solved the problem of water for the irrigated areas at the Huanghe Great Bend in Bayannur League and along the river banks in Ih Ju League. It has guaranteed the water needed for irrigation, and promoted industrial and agricultural production.

Jiang Zemin said: "We must increase investment in agriculture, improve the conditions for agricultural production, enhance the efficiency of water and fertilizer usage, and raise the yield of farmland. We must tap the potential for livestock farming, and improve returns." He added: "What is the present per capita income of peasants and herdsmen in your league?" Yang Zhirong replied: "Last year, the per capita income was 749 yuan." "That is higher than the average income in Inner Mongolia!" Jiang Zemin then made the suggestion to call on some peasant households.

Jiang Zemin and his party then came to the Guanglian No. 4 Cooperative in Linhe City's Huangyang Township located at the center of the irrigated region. The 42-year-old Wang Beizhong gladly took the general secretary to inspect the orchard he has contracted. Looking at the apples and pears hanging in large numbers from the branches, Jiang Zemin asked Wang Peizhong: "What is

the size of the orchard that you have contracted, and how much is your annual income?" "Twenty-eight mu", said Wang Peizhong, "and my annual income is approximately 18,000 yuan." Jiang Zemin said jokingly, "You earn more than us!"

After arriving at Wang Peizhong's home, Jiang Zemin sat down on a long sofa with Wang and his wife. Jiang Zemin accepted a slice of watermelon brought to him by Wang Peizhong's daughter. As he ate, he praised them, saying: "Your watermelons are very sweet. Do you grow them yourself?" Wang Peizhong replied: "Yes, I do." Jiang Zemin continued: "I would like to ask you something which I feel I should not: How much savings do you have at present?" Wang Peizhong showed him two fingers and said: "20,000 yuan." "That's not bad!" Jiang Zemin chortled, "Old Wang, just go ahead boldly with what you are doing; the party's policies will not change! To develop agriculture, we must stabilize the contracted responsibility system based mainly on households with remuneration linked to output. This policy not only conforms with the standard of productive forces in the countryside but also motivates the vast numbers of peasants and herdsmen in production. I wish your family further prosperity."

The arrival of the general secretary brought a flurry of activity to Guanglian No. 4 Cooperative. People were going around to inform others and to extend their warm welcome. When Jiang Zemin stepped out of the home of Wang Peizhong, he shook hands with the townsmen and chatted with the children. He said in a loud voice: "How do you do, fellow townsmen?" The people responded to Jiang Zemin's greetings with a round of warm applause.

Jiang Zemin and his party left Guanglian No. 4 Cooperative by car around dusk. The townsmen gathered in large numbers at the entrance of the village to send off the general secretary.

Jiang Zemin Sends Wreath on Death of Official

OW0410204390 Beijing XINHUA Domestic Service
in Chinese 1255 GMT 4 Oct 90

[Excerpt] Beijing, 4 Oct (XINHUA)—The ceremony to pay last respects to the remains of Comrade Li Jingzhao, an outstanding member of the Chinese Communist Party, a loyal communist fighter, former vice minister of the State Construction Commission, a member of the party group, and former adviser of the Ministry of Urban and Rural Construction and Environmental Protection, was held today at the Hall of Babaoshan Revolutionary Cemetery in Beijing.

Comrade Li Jingzhao died of illness at the age of 69 on 16 September. Jiang Zemin, Li Ruihuan, Han Guang, and others sent wreathes; Li Ximing, Gu Mu, Yang Jingren, Ma Hong, Lin Hanxiong, Ye Rutang, and others attended the ceremony to pay last respects. [passage omitted]

Factions Prepare for 'Early November' Plenum

HK0510025390 Hong Kong SOUTH CHINA
MORNING POST in English 5 Oct 90 p 11

[By Willy Wo-lap Lam]

[Text] Different factions in the Chinese Communist Party are jockeying for advantage in the run-up to the Central Committee's seventh plenum, expected to be held in early November.

While the party has already announced that the plenum will be devoted to the Eighth Five Year Plan of 1991 to 1995, the battle-lines are being drawn over personnel matters and the treatment to be meted out to the disgraced party chief, Mr. Zhao Ziyang.

In an informal briefing to the Beijing press, the State Council spokesman, Mr. Yuan Mu, said that there would be "no major personnel changes" at the plenum.

Mr. Yuan, a confidant of the Prime Minister, Mr. Li Peng, a leader of the conservative camp, declined to comment on whether the Zhao question would be raised at the plenary session.

While other senior leaders, including the Politburo Standing Committee member, Mr. Li Ruihuan, have also insisted that there would be no personnel changes, Chinese sources say both the moderate and the conservative factions are manoeuvring to instal their own men in the Politburo and the secretariat.

The sources say to undercut the influence of Mr. Li Ruihuan, who has the blessing of patriarch Mr. Deng Xiaoping in his move to liberalise the sphere of ideology and propaganda, the conservatives have been trying to promote hard-liners.

Names frequently mentioned include the former chief of the propaganda department, Mr. Deng Liqun, and the director of the PEOPLE'S DAILY, Mr. Gao Di.

Mr. Deng and Mr. Gao have sabotaged efforts by Mr. Li Ruihuan to free the mass media of dogma.

Since July, Mr. Li Ruihuan has adopted an uncharacteristically low profile. While he still meets foreign visitors regularly, the mass media, thought to be under the control of the conservatives, has not given a big play to his public appearances or speeches.

Diplomatic analysts say Mr. Yuan Mu's statement on Zhao Ziyang reflects the fact that the leadership is still divided over his fate.

While a team headed by elder Mr. Wang Renzhong to investigate Mr. Zhao's involvement in the "counter-revolutionary rebellion" last year has failed to unearth incriminating evidence, the conservatives do not want the seventh plenum to publicly exonerate the popular liberal leader.

Chinese sources say Mr. Deng, whose role is to balance the interests of the various factions, has so far remained above the fray.

"Deng Xiaoping's main concern now is to prop up the party General Secretary, Mr. Jiang Zemin, his chosen successor," a source said.

"Given his weak base specially in the army, Mr. Deng is trying to ensure that Mr. Jiang, who became chief of the Central Military Commission (CMC) last autumn, will have real military power."

Mr. Deng's strategy is that when he and his close ally, Mr. Yang Shangkun, 84, who is state president in addition to CMC first vice-chairman, leave the scene, Mr. Jiang will derive his support from the CMC vice-chairman, Mr. Liu Huaqing, and the Secretary-General, Mr. Yang Baibing.

Diplomats in Beijing say in return for their support, both Mr. Liu and Mr. Yang Baibing are in line for promotion.

Yuan Mu Meets Reporters at Mid-Autumn Soiree

OW0410165290 Beijing International Service
in Mandarin 0900 GMT 4 Oct 90

[Text] The All-China Journalists' Association and the Press Department of the Asian Games Organizing Committee gave a reception at the Kunlun Hotel in Beijing on the evening of 3 October.

Several Chinese and foreign journalists covering the Asian Games happily got together to celebrate the Mid-Autumn Festival, a traditional festival of the Chinese people.

Yuan Mu, a spokesman for the State Council, fielded reporters' questions at a meeting.

Panda Entertains Guests at Nationalities Soiree

OW0210175490 Beijing XINHUA in English
1619 GMT 2 Oct 90

[Text] Beijing, October 2 (XINHUA)—A gala evening in celebration of the National Day was held in the Culture Palace of Nationalities here today.

Sponsored by the State Nationalities Affairs Commission, the meeting was attended by some 2,000 people from various nationalities including Seypidin Aze, vice-chairman of the Standing Committee of the National People's Congress and Ismail Amat, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and minister in charge of the State Nationalities Affairs Commission.

Among the participants were a visiting group of minority nationalities from the border counties and athletes and coaches of ethnic minorities who are taking part in the 11th Asian Games.

Art groups from Xinjiang, Guangxi, Yunnan, Guizhou performed songs and dances of ethnic minorities.

A giant panda from a zoo in east China's Fujian Province also gave a performance at the meeting.

Lu Derun, Qi Gong Recently Appointed to Posts

HK0410151990 Beijing ZHONGGUO XINWEN SHE in Chinese 1434 GMT 28 Sep 90

[“Lu Derun and Qi Gong Are Appointed to New Posts”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 28 Sep (ZHONGGUO XINWEN SHE)—Lu Derun, a former reporter for TA KUNG PAO, was recently appointed deputy director of the State Council's Counsellors Office. Qi Gong, a famous calligrapher, was appointed deputy director of the Central Research Institute of Literature and History.

The CPC Central United Front Work Department and the State Council General Office tonight jointly held a Mid-Autumn Festival reception to entertain some aging and revered members of the Central Research Institute of Literature and History and Counsellors of the State Council. Deputy Director Qi Gong and Deputy Director Lu Derun today talked with other people who attended the get-together to celebrate the coming of the Mid-Autumn Festival and National Day.

Ma Wenrui, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, and Luo Gan, secretary general of the State Council, proposed toasts to the health of the participating members of the research institute and counsellors and extended regards to them. Xiao Gan, director of the Central Research Institute of Literature and History; Wu Qingtong, director of the State Council's Counsellors Office; Wang Hairong, vice director of the State Council's Counsellors Office; and Wan Shaofen, deputy director of the CPC Central United Front Work Department attended the reception.

Commentator Views Administrative Proceedings Law

HK0510020990 Beijing RENMIN RIBAO in Chinese 25 Sep 90 p 1

[Commentator's article: “Exercising Administrative Functions and Powers According to Law, Protecting the Legitimate Rights and Interests of the Citizens—on Enforcement of the Law on Administrative Proceedings”]

[Text] Our country's first version of the “Administrative Proceedings Law” will officially come into force as of 1 October. This will be an important event in the building of our country's socialist democracy and legal system, and an important event in the political life of the Chinese people. It indicates that the socialist legal system in our country is further improving.

The PRC Constitution explicitly stipulates that all power in the PRC belongs to the people. The people administer state affairs and manage economic, cultural, and social affairs through various channels and in various ways in accordance with the law. The enforcement of the Administrative Proceedings Law will provide legal guarantees for the people's exercise of these management functions. The masses of the people will be able to use this legal weapon to exercise public supervision over the administrative behavior of various government departments and to prompt the administrative organs and functionaries in these organs to perform their duties in light of the laws. On the other hand, through administrative proceedings, the administrative departments will continuously strengthen the sense of being public servants, consciously subject themselves to the supervision of the masses, frequently correct their improper and wrong administrative behavior, promote the construction of clean government, and ensure that the administrative organs will correctly and efficiently exercise their powers, thus safeguarding their authority.

To implement the Administrative Proceedings Law, it is necessary to do a great many things. Removing the problems in people's minds that hinder the enforcement of the Administrative Proceedings Law is a more important, more arduous, and more deepgoing task. Our government has the fine tradition of serving the people wholeheartedly. However, in our country, there was a prolonged history of feudal society, and the traditional idea of “officials being superior to the ordinary people” remains in the subconsciousness of many people to various degrees. Therefore, some functionaries of the administrative organs are only used to issuing orders and instructions, and it is hard for them to listen to the opinions of the masses. So it is even harder for them to be accused by the commoners. They are afraid of becoming the accused and even adopt a defiant attitude toward the ruling of the people's court. On the other hand, many citizens are not used to taking legal action against the “officials.” Sometimes, when their legitimate rights and interests are violated, they still do not dare to argue with the “officials” and do not know how to protect their legitimate rights and interests by making use of the legal weapon. As far as the people's courts are concerned, due to the constraint of various factors, when exercising their judicial power in handling the administrative proceedings to safeguard citizens' legitimate rights and interests, they cannot but also give consideration to their relations with various administrative departments. In order to overcome all the above-mentioned abnormal mentalities and to ensure the correct enforcement of the Administrative Proceedings Law, the administrative functionaries at all levels and the broad masses of people should all seriously study the “PRC Administrative Proceedings Law” and further increase the sense of socialist democracy and deepen the understanding of the socialist legal system. The administrative organs and their functionaries should properly handle the relationship between “power” and “law,” and consciously subject themselves to the binding force of

the laws; at the same time, they should not be afraid of performing administrative functions in a normal way for fear of becoming the accused in administrative proceedings. Citizens should also correctly employ the legal weapon to safeguard their legitimate rights and interests, and should not abuse their right of administrative proceedings by filing false charges or unreasonably disturbing the normal administrative measures.

In order to ensure the smooth implementation of the Administrative Proceedings Law, all administrative and judicial organs should now learn what they did not understand before, and learn how to act in accordance with law. At the same time, corresponding rules should be formulated to support the enforcement of the new law, and concrete steps should be taken to ensure the implementation of these rules so that the comprehensive and coordinated operation can be started in a normal way.

Ministry Orders Further Crackdown on Criminals

HK0510031190 Hong Kong WEN WEI PO in Chinese
5 Oct 90 p 2

[Dispatch by WEN WEI PO reporter Chen Chien-ping (7115 1696 1627): "Ministry of Public Security Orders Public Security Departments in all Parts of the Country To Sternly Crack Down on Criminal Activities"]

[Text] Beijing, 4 Oct—A few days ago, the state's Ministry of Public Security issued an order to public security departments in all parts of the country, demanding continued efforts to sternly crack down on all kinds of criminal activities endangering social security and settle conspicuous issues relating to public security in various localities in accordance with the unified plan of the central authorities. Meanwhile, departments engaged in public security work are also encouraged to rectify themselves so as to adapt themselves to the situation.

A public security source said: The order issued by the Ministry of Public Security stresses that all kinds of grave criminal activities should be sternly dealt with in accordance with the law. This is an important measure taken to keep the overall situation stable and show to the community the ministry's determination to firmly and sternly crack down on criminal activities. It is necessary to take concrete action to make the masses of people feel at ease and the criminals always stand in awe of being given a stern crackdown.

In sternly cracking down on criminal activities, the Ministry of Public Security urged to handle cases on the basis of facts and in strict accordance with the law and display the spirit of punishing criminals sternly and promptly. Not only should public security organs investigate and crack cases promptly but procuratorates and people's courts should also make prompt arrests, indictments, and trials. When it comes to criminals whose cases are serious, they should be punished severely in accordance with the stipulations on punishment provided by the "Criminal Law," otherwise, the criminals'

inordinate arrogance cannot be crushed. The Ministry of Public Security also specifically demanded to firmly crack down on the criminal gangs of the nature of underground criminal societies, in particular, train robbers and highwaymen.

While sternly cracking down on criminal activities as mentioned above, the contingent of public security personnel should also rectify itself. Violations of the law and disciplinary codes committed by public security personnel should be seriously investigated and handled. Incompetent law enforcement personnel should be firmly cleared out of the contingent of public security personnel.

Official Pledges Plan for Boost in Urban Housing

HK0510040290 Beijing CHINA DAILY in English
5 Oct 90 p 1

[By staff reporter Li Hong]

[Text] A leading government official has pledged a major improvement in urban housing as part of the development programme for the next decade.

This programme includes quicker housing development in the cities, a revamping of old urban residential areas, and a reform of the existing public housing distribution system, according to Lin Hanxiong, Minister of Construction.

The last decade has seen a rapid improvement of housing in the rural areas, where the average farmer has raised his dwelling area to 20 square metres from a mere 10 just 10 years ago. But the development in the urban areas has not been so smooth due to the speed of urbanization and the irrational practice of housing distribution, though the per capita living area has expanded to 6.5 square metres from only 3.6 square metres in 1978.

It is expected that the government will divert more funds, much higher than the annual investment of 20 billion yuan or so in the 1980s, Lin told reporters in Beijing.

"I can assure you that the improvement of people's living standards in the next five to 10 years will be most clearly seen in the betterment of their housing condition," the minister said.

Equal importance will be attached to urban residential construction as much as to agricultural and energy projects, during the next decade, the minister said.

Furthermore, according to Lin, all the money saved through the government's cutback on luxury hotels, guest houses, auditoriums and sanatoriums will go into the building of housing.

And during the five years to come (the country's Eighth Five-Year Plan period), the central government has vowed to rebuild and refurbish all the "outmoded and

unsafe houses" in the urban area—estimated at more than 350 million square metres throughout the country.

The effort to provide better and safer accommodations to the country's 550,000 urban families "suffering from extreme housing difficulties", said Lin, will be the focus of his ministry and put on the top of the agenda by local governments of different levels.

To improve urban residents' living conditions, the minister announced that a total of 21 new urban community compounds, selected from 14 provinces, municipalities and autonomous regions, will be set up, following the "successful experiments" of three pioneering projects in Jinan, Tianjin and Wuxi.

Lin spoke highly of efforts made by the Beijing Municipal Government in redeveloping the age-old housing area in the city's Juer Xiang (Lane), which successfully integrated living comfort with environmental beauty.

With regard to housing reform, the practice of the multiple "co-op funding" of housing by the State, the local government, enterprises and individuals will not be changed.

And according to ministry officials, the central government, which has been investing billions of yuan each year in public housing projects without recovering any visible returns, is bent on pushing through housing reform, by both raising low rents and putting more public housing on sale.

Foreign Aid Needed To Relieve Water Crisis

HK0310010890 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English
3 Oct 90 p 4

[By Geoff Crothall]

[Text] About 30 per cent of China's major cities still face serious water shortages and the country urgently needs foreign capital to help resolve the problem, says a senior Construction Ministry official.

Mr Yu Lin, deputy director of the ministry's urban construction department, said yesterday the government could not meet the demands of the rapidly growing urban population due to the shortage of domestic capital and China's outdated infrastructure.

The country needed foreign loans to upgrade urban water supply, sewerage systems, gas supply and rubbish disposal as well as help ease urban traffic congestion.

Mr Yu expects much of the money needed to come from the World Bank and government soft loans, particularly the Japanese Government's proposed 810 billion yen (about HK\$45.74 billion) loan, which is under discussion.

China's eighth five-year plan calls for an increase in the daily water supply of more than one million tonnes, a

500,000-tonne increase in daily sewerage handling, a million tonne increase in the daily gas supply, and more than 20 per cent increase in rubbish disposal.

Analysts say it is extremely unlikely China will be able to meet those targets without a major resumption of international lending, something which many consider to be still a long way off.

The country's plans to ease its chronic urban traffic congestion would also be in jeopardy without international lending.

The state is carrying out plans to extend the Beijing and Tianjin metros and build underground rail systems in Shanghai and Guangzhou.

Construction of the Shanghai metro has already begun with the aid of West German government export credits while the Guangzhou system is in the planning stage.

Chongqing and the northern cities of Harbin and Changchun plan to build light transit railways.

Mr Yu hopes Hong Kong's experience in operating the Mass Transit Railway (MTR) and the Light Rail Transit (LRT) could be applied to the development of China's urban environment.

Deaths, Injuries Among Tax Collectors Reported

HK0510052690 Hong Kong AFP in English 0509 GMT
5 Oct 90

[Text] Beijing, Oct 5 (AFP)—Tax collecting is a risky line of work in China, according to a Shandong law journal.

Five tax collectors died violently in the line of duty last year, while more than 3,000 were wounded, most seriously, said the SHANDONG LEGAL SYSTEM NEWS received here Thursday.

Of those tax collectors who were wounded on the job, 353 were permanently disabled, the journal said.

It said a total of 3,387 people had refused to pay their taxes in 1989 and added that the phenomenon had been steadily worsening over the years, and was "affecting tax collectors' enthusiasm and social order."

The Chinese press has previously said that from 1985 to 1987, 11 tax collectors had died violent deaths, 26 others were still disabled and 683 were injured more or less seriously.

Beijing launched in September its fifth nationwide campaign against tax evasion.

Economic & Agricultural

Article Describes Development of Foreign Trade

OW0410123090 Beijing Domestic Service
in Mandarin 0530 GMT 2 Oct 90

[Article by (Liu Xiangdong) of the Ministry of Foreign Economic Relations and Trade: "Our Country's Foreign Economic Relations and Trade Is Developing Steadily"; from the "International News and Current Events" program]

[Text] Since the adoption of the policy of reform and opening to the outside world, foreign economic and trade departments in our country have worked hard in a pioneering spirit to overcome difficulties and promote an all-round development of China's foreign economic relations and trade. They earnestly implemented the party's basic line of taking economic development as the central task while upholding the four cardinal principles and the reform and opening policy. As a result, notable success has been achieved.

A rapid increase in foreign trade volume: According to statistics provided by the Ministry of Foreign Economic Relations and Trade, our country exported \$40 billion of goods in 1988, thus fulfilling its 1990 export target two years ahead of schedule. Its total import and export trade volume in 1989 hit \$82.58 billion, four times that of 1978. During the last 11 years, foreign trade volume has been increasing at an annual rate of 13.5 percent. Today, China has trade relations with 180 countries and regions, as compared with 140 in 1978. At the same time, the mix of China's export commodities has also steadily improved. The ratio of manufactured goods in the overall export has been rising steadily. The country has already achieved its goal, set by the Seventh Five-Year Plan, of exporting mainly processed and manufactured goods instead of primary products. The means of production had accounted for around 80 percent of our import. Along with the rapid increase in our export, our import mix has become more rational. In recent years, our trade balance has improved, and this has enabled the country to meet its international payment obligations and maintain a good credit record.

Notable success in the use of foreign capitals: Since the adoption of the opening policy, China has followed the international practice and used capitals of countries with different social systems to make up for the shortages of funds needed in its socialist modernization. Between 1979 and 1989, China signed foreign loan agreements worth \$52.3 billion, of which \$39.33 billion has been used. Using these loans, the country built a number of key infrastructure facilities, such as energy, transportation, and telecommunications facilities, and industrial projects producing important raw and semifinished materials. In the same period, it approved 21,781 foreign-invested enterprises. Foreign investment structure has also improved steadily. Investment in the production sector accounted for more than 80 percent of the

overall investment. About half of the foreign-invested enterprises have begun operation, and more than 90 percent of them are operating smoothly. Export by these enterprises have steadily increased, reaching \$3.63 billion in 1989.

Steady progress in technology import and export: During the last 11 years, departments empowered by the state approved the import of 3,858 advanced technologies and complete sets of equipment, with contract value totaling \$23.29 billion. The method of import has gradually changed from importing complete sets of equipment to license trade, consultation, cooperative production, technological service, and other more developed forms of import. At the same time, the country has begun technological export, ending its history of one-way technological transfer. Over the last four years, we have exported 474 technologies worth \$1.484 billion.

Initial development in labor export and overseas investment: labor export and overseas investment are new undertakings in the period of reform and opening. Over the last 11 years, China has signed 10,634 overseas engineering projects and labor cooperation projects worth a total of \$12.8 billion. The scope of business has expanded to more than 140 countries and regions. The country has set up 645 non-trade enterprises in 88 countries and regions, with a total investment of \$0.95 billion.

Sound development of our foreign aid program amidst readjustment: During the last 11 years, China has helped 67 developing countries build 363 complete projects. In addition, it provided technological and managerial assistance in the operation of 375 completed projects. By doing so, the country consolidated the fruits of cooperation and raised the economic benefits and social effects. During the same period, it sent medical teams to 42 countries. Today, there are still 1,262 medical personnel overseas. The Chinese government policy of offering genuine assistance and the spirit of internationalism, hard working, and plain living displayed by our aid personnel are widely acclaimed in the Third World countries.

Initial success in receiving foreign aid and in undertaking multilateral international cooperation: China carried out fruitful cooperation with UN development agencies and other multilateral international agencies. It has received \$1.6 billion in multilateral assistance. In addition, it received nonreimbursable technological assistance from 11 developed countries and European Community for projects related to economic and social development. At the same time, it carried out active international cooperation in commodity trade.

Since the beginning of 1990, China has taken a series of major steps to further expand its opening to the outside world. Early this year, the Third Session of the Seventh National People's Congress [NPC] approved revision of the Law of the People's Republic of China on Chinese-Foreign Joint Ventures. The revised law specifically

stipulates that China will not nationalize joint ventures. It also contains more flexible provisions on the length of joint ventures and stipulates that both Chinese and foreign parties may become board chairman of a joint venture through consultation or elections. Last April, the CPC Central Committee and the State Council approved the development and opening of Shanghai's Pudong Area, where policies designed for Special Economic Zones and coastal economic and technological development zones will be implemented. With the recent approval of the Copyright Law by the NPC Standing Committee, China has taken another important step in legislation for the protection of intellectual properties.

At the same time, the country has scored notable results in implementing the CPC Central Committee decision on further improving the economic environment and rectifying the economic order and on deepening reform. As a result, prices have stabilized, the industrial production is picking up steadily, and the agriculture has reaped bumper harvest, easing the shortages in the domestic market. In addition, the readjustment of the foreign exchange rates of Renminbi late last year has produced positive effects. All this has created conditions for China to overcome difficulties in its foreign economic relations and trade and ensure their steady development.

According to statistics provided by the Ministry of Foreign Economic Relations and Trade, China's import and export volume in the first eight months of this year totaled \$51.411 billion, with exports reaching \$32.62 billion, or an increase of 18.6 percent over the same period of last year, and import reaching \$18.78 billion. Because of China's economic readjustment, demands for imports have declined. Particularly, to impose economic sanctions against our country, a number of Western countries halted the signing of new government loan agreements and tightened technological import restrictions. As a result, the decline in import was quite large. However, in the past few months, the country appropriately lowered the interest rates for loans and increased loans to finance technological transformation. In addition, Western countries also eased economic sanctions against China. This has slowed down the decline in import, and there are even signs showing import is picking up. The relatively rapid growth in export has increased the country's foreign exchange reserves, improved its international payment ability, and rationalized its import and export structure. After hitting the bottom in May, the use of foreign capital has also increased. Foreign loan agreements totaling \$3.58 billion were signed and \$4.48 billion of foreign capital was used during the first eight months of this year, up 11.29 percent and 18.24 percent, respectively, over the same period of last year. Agreements for 4,107 new projects under direct investment plan were also signed. The number of new projects was slightly higher than that in the same period of last year. Progress has also been reported in overseas contract projects, labor cooperation, and other undertakings.

Political, Economic Progress Despite Sanctions

OW0410230890 Beijing BEIJING REVIEW in English
No 40, 1-7 Oct 90 pp 14-16

[Article by Zhou Ying, research fellow with the Economic Research Center of the State Planning Commission: "Nation Presses Ahead Despite Sanctions"]

[Text] The impact of Western economic sanctions on China diminishes daily with improvement in the country's political and economic situation. Events have once again demonstrated that those who attempt to bring China to its knees through hegemonism and power politics will inevitably fail.—Ed.

In the last 41 years, China grew from a poverty-stricken semi-colonial and semi-feudal country to an independent socialist country with initial prosperity. A historical review reveals that these achievements were made after overcoming many difficulties, including the imposition of international economic sanctions on China, at which there were primarily three major attempts. Following the policy of independence and self-reliance, China succeeded in coping with these sanctions.

Blockade and Embargo

Due to a poor economic foundation and incessant war, China's economy was crumbling in 1949. Agriculture languished, yielding only 113.18 million tons of grain and 444,000 tons of cotton, 25 percent and 48 percent, respectively, less than the peak figures of the pre-liberation period. The industrial situation was also discouraging. Only 327,000 tons of cotton yarn, 1.89 billion metres of cloth, 158,000 tons of steel and 32 million tons of raw coal were produced, respectively 2.6 percent, 32 percent, 83 percent and 48 percent less than the pre-liberation peak years.

At the same time, most countries in the West refused to recognize New China diplomatically. On top of this, they went so far as to impose an economic blockade and embargo on China. In June 1950, the US imperialists launched a war of aggression against Korea and pushed the fire of war onto the Yalu River abutting China. The actions threatened China's industrial bases in the northeast and were designed to strangle the newborn People's Republic in its cradle. On May 18, 1951, under the manipulation of the United States, the United Nations General Assembly passed a resolution which imposed a complete blockade against China.

Contrary to the anticipation of US imperialists, however, the Chinese people rose to fight the American aggressors and aid Korea instead of yielding. Meanwhile, they waged a tit-for-tat struggle against the blockade and embargo. In the three years (1950-52) after its liberation, China made great economic achievements through the implementation of the following measures:

—Confiscating bureaucratic-capital enterprises and converting them into socialist state-owned ones. This

made it possible for the Chinese Government to control the economic lifeline of the country;

- Conducting land reform by which 46 million hectares of land were distributed to 300 million landless and land-poor peasants and the land rent system under which the peasants had to pay 35 million tons of grain to the landlords annually was abolished;
- Unifying the national financial and economic work and stabilizing commodity prices. The galloping inflation which was common before liberation was brought under control within less than three years;
- Reasonably readjusting capitalist industry and commerce (referring generally to national capital) while making the most of the positive role, and restricting the negative role, they played in the national economy and people's livelihood;
- Restoring industrial and agricultural production, encouraging the interflow of farm and industrial products between country and town, and rapidly building the most-needed enterprises.

Thanks to the implementation of these measures, China extricated itself from the economic quagmire. In 1952, its industrial and agricultural production reached the peak level of pre-liberation. Between 1950 and 1952, about 2 million unemployed people were employed and other jobless received a variety of aid. During a three-year period, the average wage of workers and staff throughout the country increased by 70 percent and the income of the peasants registered a 30-plus percent rise.

This successful economic recovery paved the way for China's implementation of its First Five-Year Plan (1953-57), the goals of which were fulfilled one year ahead of schedule. By 1956, China basically completed socialist transformation of individual farming, individual handicraft industry and capitalist industry and commerce. In the meantime, by relying on the strength of the Chinese people and with the support of the Soviet Union and other friendly countries, China constructed a number of key projects, laying the preliminary foundation for socialist industrialization. During the First Five-Year Plan, the national income registered an average annual increase of 8.9 percent, the value of industrial output by 18 percent and agricultural output by 4.5 percent. The life of the people had improved remarkably. The real consumption level rose by an average of 4.2 percent annually. New China withstood foreign pressure and grew in strength.

Tearing Up Contracts

By the end of the 1950s, the international communist movement experienced abrupt changes. The relations between the two communist power, the Soviet Union and China, became tense. On July 25, 1960, when China was faced with serious difficulties resulting from rashness in national policy and natural disasters, the Soviet

Government perfidiously refused to honour 201 agreements and contracts and withdrew some 800 Soviet experts, bringing construction to an abrupt halt. While demanding payment by China of all the debts, the Soviet Government stationed heavy troops along the Sino-Soviet border in an attempt to isolate China and force China to follow them politically.

The Soviet move made a mess of China's on-going economic construction and aggravated its economic problems. However, it also enabled the Chinese people to cast away their illusion. Following the policy of "making self-reliance foremost and foreign aid supplementary," they became more resolute than ever to build up their own country by bootstrap efforts.

Beginning in 1961, China followed the economic policy of "readjustment, consolidation and the filling out and raising of standards," and adopted a series of correct policies. These policies included readjusting agricultural production, increasing support for agriculture, reducing the scale of capital construction, recharting investment orientation, discouraging excessive development of heavy industry, improving the internal structure of the industrial production, reducing the number of workers and staff and cutting back on the urban population, improving financial and bank management systems, and maintaining a balanced financial, credit, market and foreign exchange. The economic readjustment drew to an end by 1965.

During this period, despite serious setbacks, there were many achievements in China's economy as a whole. In the eight years between 1958 and 1965, large numbers of important enterprises were built or expanded, including the Anshan Iron and Steel Complex, then the largest of its kind in China, and the Daqing Oilfield with an annual production capacity of 10 million tons. At the same time, China developed a large number of new industrial departments.

Compared with 1957, the industrial fixed assets of 1965 registered a 200 percent increase. The output of major industrial products increased by a big margin. For example, the output of cotton yarn rose 54 percent, that of steel 128 percent, raw coal 77 percent, electricity 250 percent, and crude oil 675 percent. By 1965, China had, in the main, achieved the ability to support itself, laying a good foundation to beat the second round of international sanctions.

By relying on its own resources, China successfully tested its atom and hydrogen bombs between 1964 and 1970, smashing the nuclear monopoly by the superpowers. During this period, China also launched its first man-made earth satellite, proof of China's high-technology capacity.

In early 1965, China paid 1.4 billion rubles of debts to the Soviet Union, much of which China had borrowed to finance the war of resistance against the American invasion of Korea. This showed China's determination to be debt free and pay back all previous debts on time.

Economic Sanctions

In October 1971, China was restored to its legitimate seat and other rights in the United Nations. Afterwards, the relations between China and the United States entered a period of dialogue, a stark contrast to the hostility of earlier days. After a series of negotiations, the two countries established diplomatic relations. In like fashion, the relations between China and the Soviet Union, after a long period of hostility, were normalized in May of 1989. Between late 1978 and 1988, China implemented the policy of reform and opening to the outside world and based on the principle of equality and mutual benefit, energetically developed economic cooperation and cultural exchange with many other countries. During the ten years of reform and opening up, China's economy grew at its fastest rate, its citizens receiving more benefits than at any other period since liberation. During this time, however, China also made some mistakes, the major expressions of which were imbalance between supply and demand, structural imbalance, inflation and chaos in economic order. Between the spring and summer of 1989, when the Chinese Government was taking measures to deal with these problems, antagonist forces both at home and abroad, in a mistaken calculation of the domestic situation, worked hand in glove to stir up a counter-revolutionary rebellion in order to overthrow the leadership of the Chinese Communist Party and subvert the socialist system. When the rebellion was put down, the United States and some other countries in the West imposed economic sanctions on China. Thus for a third time since 1949 China was confronted with the pressure of a major international attempt at economic sanction.

In the face of such economic sanction and political pressure from the West, the Chinese Government and the Chinese people have not budged an inch from following the socialist road and continuing the reform and opening up. Moreover, by learning from past mistakes, China adopted effective measures in order to deal with internal problems and to boycott external causes of the riots and counter-revolutionary rebellion.

Economically, China set a series of targets and measures for improving the economic environment, rectifying the economic order, and for deepening the reform. Through the strenuous efforts of all the people, China saw the fruit of such efforts. Since January of this year, China's economy has been developing healthily, the major expressions of which are as follows:

- There has been an easing of demand exceeding supply, and the excessive scale of investment in fixed assets and the excessive growth of consumption funds have been brought under control;
- There has been a readjustment of the economic structure and increased support of agriculture. In 1989, the output value of agriculture rose 3.1 percent over the previous year with the harvest of 407.55 million tons of grain, an amount reaching the record high. Grain

production in summer this year was good, with the output expected to surpass 99.35 million tons, or 5.6 million tons more than the previous year. The overheated industrial sector began to cool down a lot in 1989, with the growth rate of industrial output value dropping from 20.8 percent in 1988 to 8.5 percent. Although the growth rate fell excessively early this year, industrial production began to pick up in March. In the first half of this year, the average monthly growth rate was 2.2 percent higher than that of the last year. Also, industry's internal structure has seen some improvement as energy and raw and processed material production, previously in short supply, registered a stable increase;

- Inflation has been brought under control. In 1989, the general retail sale price rose 17.8 percent over 1988, lower than that of the previous year's rate of 18.5 percent and the increasing momentum weakening month by month. By October, the rate of increase had decreased to below two digits. In the first half of this year, the rate of increase was 3 percent higher than the corresponding period of last year.
- Foreign trade and technological exchange continued to expand. In 1989, import and export hit US\$111.6 billion, 8.6 percent more than the previous year. The export situation was good in the first half of this year, up 15.4 percent from the corresponding period of last year. The state foreign exchange reserves saw an impressive increase.
- The chaotic situation that existed in the circulation field has been initially rectified. By February 1990, a total of 70,000 companies or 24.5 percent of the national total have been disbanded or amalgamated. In various localities, efforts have been made to improve market rules and regulations.

All these indicate that China is moving into smoother economic waters.

The three international sanctions which were imposed on China clearly showed China's capacity to withstand such pressure. No sanction can shake China's international and domestic policies based on independence and self-reliance. This is a historical fact of the last 41 years.

Today, at a time when the world economy is becoming increasingly interdependent, the impact of sanctions can have an adverse effect on those attempting such actions. Therefore, we understand why the summit meeting of the seven Western countries held in July in Houston decided to relax their economic sanctions against China and take a moderate tone in dealing with China. In an August commentary, THE NEW YORK TIMES said that the series of victories China has made in diplomacy have broken the West's sanctions; during their visit to China, some senior officials from the West re-expressed their willingness to provide financial aid; they were all trying to readjust their policies towards China. Japan, which took the lead in adopting a moderate attitude

towards China, hoped that the other countries in the West would take bigger strides in their China dealings.

Economists Make Proposals for Deepening Reform

HK0410130590 Hong Kong WEN WEI PO in Chinese
29 Sep 90 p 2

[Report by Chen Chien-ping (7115 1696 1627): "Xue Muqiao and Other Noted Economists Make Proposals to the Central Authorities on Deepening Reform"]

[Text] Beijing, 28 September (WEN WEI PO)—Some noted economists here recently proposed to the central authorities to seize the opportune moment which has emerged through economic readjustment and rectification over the past two years and earnestly promote reform in a step by step manner. They proposed starting with the readjustment of the prices of some means of production.

The economists, including Xue Muqiao, warned it would be unrealistic to seek an absolute opportune moment. If the current opportunity is lost, it may lead China's economy to a new round of inflation. Xue Muqiao said we should seize the opportune moment, in which supply can meet demand, obtained at a high cost to promote the reform aimed at establishing a planned commodity economy. Fundamentally speaking, prices should be readjusted by exercising control over the currency and lifting the restrictions on prices in a step by step manner. Instead of taking the old road of the state exercising control over everything, enterprises should be allowed to compete on a fair basis to ensure only the best will survive. We cannot exchange financial subsidies for social stability.

The economists believed China's economy is facing a turning point. If we stick to the practice of maintaining the status quo, it will be impossible for us to seek a way out for economic development. We do not have much time to maintain the status quo and recuperate, they said. The only way out is to introduce reform.

They urged the leadership to resolve the following three problems ideologically: First, enhance the thesis of building socialism with Chinese characteristics, take our own road, and never be bound by the theories or rigid thinking which do not conform to China's reality; second, let more people know that there will be no way out without reform, never take expedient measures as long-term ones, and do not miss the opportunity for development and reform; and third, it is necessary to take note of overcoming the tendency of eagerness for quick success when steady growth has been attained in economic development.

They said the results achieved in economic readjustment and improvement do not constitute the objective. The objective is to create conditions through economic readjustment and improvement for deepened reform. At present, the crux of the matter is to seek the opportune moment for promoting reform, that is, the reform of the

price system. This is an option for China's economic structural reform. Worries that changes in prices will affect social stability are necessary, they said. Nevertheless, this step must be taken sooner or later. Through economic readjustment over the past year or two, prices and the market are tending toward stability and industrial production has maintained its growth. This state of affairs constitutes an opportune moment for price reform.

We should bear in mind the lessons learned and avoid repetition of the same mistakes and similar cycles, the economists said.

Roundup Outlines Current Oil Industry Situation

HK0510005590 Beijing ZHONGGUO XINWEN SHE
in Chinese 0723 GMT 29 Sep 90

["Roundup": "China's Oil Industry Is Faced With a New Situation"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 29 Sep (ZHONGGUO XINWEN SHE)—Today, 41 years after the founding of the PRC, China's oil industry is faced with a new situation while making rapid development. People are concerned with such questions as: In the next five to 10 years, will the development of China's oil industry satisfy needs in the development of the national economy? Will the output of crude oil continue to maintain an upward tendency? In this crucial period, will China be able to build some large new oil fields to replace the present backbone oil fields in the eastern region which have come to the middle and late stage of their development?

As known to all, China's oil industry has traversed an arduous course of development in the past 41 years. The discovery of the Daqing Oil Field enabled Premier Zhou Enlai to announce in 1963, that China could basically realize self-sufficiency in the supply of oil. In 1978, China's crude oil output for the first time topped 100 million tons. Oil output leaped from 29th place in the world in 1949 to fifth after 1986.

At present, 18 large and medium-sized oil-gas production bases have been built in the whole country. They include the three large oil fields of Daqing, Shengli, and Liaohe, whose annual output is respectively 10 million tons to 50 million tons, and the Zhongyuan, Xinjiang, and Hubei Oil Fields whose annual output ranges from 5 million tons to 10 million tons. China has discovered 323 oil fields and 95 gas fields. In more than 40 years, China produced a total of 1.9 billion tons of crude oil; and the output value of the entire oil industry amounted to nearly 300 billion yuan. Since 1961, China has exported 370 million tons crude oil and oil products to more than 70 countries and regions in the world, and thus earned nearly \$50 billion of foreign exchange.

On the other hand however, China's oil industry also encountered such serious problems as a lack of funds and development momentum in recent years. At present, the

Daqing Oil Field and other backbone oil fields in the eastern region have entered the high water-bearing stage in their development. Difficulties will increase in further extraction, and the production costs will increase year after year. The output of these oil fields will not increase significantly. This is the first problem. Although signs show that the Tarim Basin is rich in oil and gas deposits, no systematic or comprehensive data has been gathered yet; it is hard to say when oil fields with large producing capacity will be developed there. They could not meet an emergency in the near future. This is the second problem. In recent years, input into prospecting work was reduced, and the new discovery of oil and gas deposits cannot meet increasing needs. There is thus an imbalance between the newly discovered resources and the extracted resources. This is the third problem.

In view of these problems, many oil experts and economic experts hold that the situation in China's oil industry is undergoing certain major changes and is moving into a new stage. When facing the new problems, the state should adopt corresponding measures to lay a solid foundation for the stable development of the oil industry in the future.

They put forward some concrete proposals as follows: First, in a period to come, continue to stabilize the production in the old oil fields in the eastern region, speed up the development of new extracting districts near these oil fields, and intensify the prospecting and development of offshore oil fields. Second, in the long run, go all out to discover and develop oil fields in the western region by focusing on the Dzungar Basin, the Tarim Basin, and the Turfan Basin, thus forming China's new oil production base. Third, intensify the development of offshore oil fields, while continuing to cooperate with foreign companies in prospecting and development, increase China's independent prospecting and development. Fourth, speed up the development of gas resources, attach the same importance to gas development as to oil development, and change the current situation in which lopsided stress is laid on oil development, thus gradually replacing oil with gas and changing China's energy structure.

Oceangoing Shipping Volume Increases

*HK0510033890 Beijing CHINA DAILY in English
5 Oct 90 p 1*

[By staff reporter Li Zhuoyan]

[Text] Brisk foreign trade this year has brought about a 20 percent increase in this country's ocean-going shipping volume, CHINA DAILY was told yesterday.

According to the China Ocean Shipping Agency (Penavico), the State-owned enterprise which is the sole agent for foreign trade transportation, 33,690 freighters called at China's coastal harbours during the first eight months this year—20 percent more than the same period last year.

The total volume of cargo handled through the agency during the same period exceeded 120 million tons—a four percent increase over 1989.

Additionally, it had also received 18 tourist ships carrying nearly 6,600 passengers so far this year—in sharp contrast with the absence of any such port calls during the second half of last year.

"This shows the country, after a marked decline in foreign trade and the tourism in the second half of last year, has begun to see a new growth in both trade and tourism," said Cao Zang, general-manager of the agency.

Penavico, established in 1953, handles cargo and passenger shipping at Chinese ports for both Chinese and foreign-flag ships engaged in international service or serving Hong Kong, Macao and Taiwan.

Provinces Express Interest in, Support for Pudong

*OW0310185890 Beijing XINHUA Domestic Service
in Chinese 0007 GMT 28 Sep 90*

[By reporters Ji Jincheng (1323 6651 2052) and Xia Ruge (1115 0320 7041)]

[Text] Shanghai, 28 Sep (XINHUA)—The policy decision to develop Pudong made by the CPC Central Committee and the State Council has had an enormous impact inside China. The Changjiang River, which has been called the "golden waterway," is becoming a new channel for opening up to the outside world.

While the pattern of China's opening up to the outside world in the last 10 years was limited to a single city or locality making foreign contacts, the development of Pudong is different in that it has created favorable conditions for various areas to cultivate foreign economic relations and make full use of their joint advantages in opening up to the outside world. The provinces and autonomous regions in the Changjiang River basin, in particular, have greater advantages.

The Changjiang River delta area has been our country's frontline area for opening up to the outside world. Jiangsu, Zhejiang and Shanghai have formed a special economic ring in their previous economic activities. Now they intend to jointly establish foreign economic relations in the process of developing Pudong so as to create new regional advantages of opening to the outside world. After late June, Jiangsu Governor Chen Huanyou and Zhejiang Governor Shen Zulun respectively led economic delegations to Shanghai and signed cooperation agreements. In addition to directly supporting the development of Pudong with their manpower, materials and natural resources, the two provinces have decided to organize and establish a group of Sino-foreign joint venture projects and colossal joint enterprise groups, set up export-oriented industrial enterprises, and establish organizations for handling international trade and material resources. They will also restructure the industries in

their respective provinces to accommodate the relocation of techniques, talents, and management resulting from Shanghai's industrial restructuring in the process of developing Pudong. Meanwhile, they will undertake new open-door measures to absorb the impact of the development of Pudong. While expediting the construction of their existing development zones, Zhejiang and Jiangsu Provinces will also establish new investment zones or economic and technical development zones.

The mighty Changjiang River, which passes through more than a dozen coastal and inland provinces of China, has been playing an important role in promoting economic relations among the various areas in the whole river basin. Now all the provinces along the river hope that this "golden waterway" will become an open channel under the impact of development of Pudong. On the one hand, Anhui, Hubei, and Sichuan Provinces, as well as Qinghai Province, located far away at the mouth of Changjiang River, have been actively supplying manpower, materials, and other natural resources for the development of Pudong. On the other hand, they are working hard to create the conditions to link up with the open channel. Anhui Province has organized manpower and surveyed Anqing, Tongling, Wuhu, and Maanshan cities, and Chizhou Prefecture which are situated along the river. Here water resources, mining products, agricultural produce, and resources for tourism are abundant. Besides, there are also well-developed transportation, mild climate, larger numbers of support industries, and strong technical force. The provincial party committee and government have designated these four cities and the prefecture as a provincial base for opening up to the outside world. Currently, they have many projects ready for development and investment by Taiwanese and foreign businessmen. Wuhu and Maanshan cities have designated small, wonderful zones for Taiwanese and foreign businessmen to invest and establish enterprises.

Other inland and coastal provinces and cities, which have maintained economic and technical cooperation relations with Shanghai over the years, also hope to strengthen these relations in the process of the development of Pudong, and want Pudong to become a "window" through which to develop their export-oriented economy. Recently, Shandong Governor Zhao Zhihao led a delegation to Shanghai, and both sides agreed that, in the process of developing Pudong, they will build joint ventures, cooperative projects, and associations to jointly attract and absorb advanced technology from abroad and other parts of China, jointly develop export-oriented products to earn foreign exchange, and promote integration in commodity circulation. Heilongjiang and Jilin Provinces have also sent economic delegations to Shanghai to express their intentions to develop new cooperation and integration in the process of developing Pudong.

As of now, over 70 government delegations at city and provincial levels, representing most of the provinces throughout the country, and more than 500 enterprises

and establishments have come to Shanghai to conduct surveys and negotiations. Among them, enterprises and establishments from the Shenzhen and Zhuhai Special Economic Zones and from inland provinces and cities such as Shaanxi, Henan, Xian, and Lanzhou have established their intention to set up trade windows in Pudong, invest in high tech projects or advanced processing, and build infrastructural facilities.

National Network for Vegetable Trade Takes Shape

OW0310192890 Beijing XINHUA Domestic Service
in Chinese 0008 GMT 27 Sep 90

[By reporters Zhao Yongjin (6392 3057 6855) and Yan Zhenguo (7051 2182 0948)]

[Text] Beijing, 21 Sep (XINHUA)—At present the volume of vegetables traded annually among the provinces in our country is more than six billion kg. The old and closed pattern of limiting vegetable sales to local markets is being replaced by a new and open practice of selling vegetables throughout the country regardless of where they are produced.

Mass circulation is correlated with mass production of commodities. Subsequent to the deepening of reform of the system of producing and selling vegetables, many vegetable production bases have gradually emerged and developed. Now there are five production bases approved by the State Council: a southern base including Hainan, Guangdong, Fujian, and Yunnan, which supplies vegetables to the north; a base in the Huaihai Economic Zone centered in Xuzhou, which produces special off-season vegetables in spring; a base in Hexi Corridor which produces autumn vegetables; a base in the Zhangjiakou Economic Zone which produces special off-season vegetables in autumn; and a base in Hebei's Tangshan and Shandong which produces Chinese cabbages. These five bases can produce 2.5 billion kg of marketable vegetables a year.

While the vegetable production bases were being established, all types of wholesale trading markets have emerged and developed rapidly. Many new types of vegetable trading and distributing centers have appeared in areas where vegetables are produced and sold. Previously relatively unknown Shouguang County, Shandong has now become China's largest vegetable distributing center, handling 1.6 billion kg of vegetables yearly. A national network for vegetable circulation has been formed, with the distributing centers as the hubs, so that the north and the south can buy each other's vegetables, and the same thing holds true for the east and the west.

The national network for vegetable circulation has greatly increased vegetable supplies in the large and medium-sized cities in our country. In addition to cities south of Changjiang River, which have a continuous supply of fresh vegetables around the year, the large and medium-sized cities north of Huanghe River have also basically changed the old embarrassing situation of providing only potatoes, carrots, and Chinese cabbages in

the markets in winter. During icy winter, markets in Harbin, Changchun, Hohhot, and other cities still enjoy a supply of fresh vegetables, including cucumbers, tomatoes, green peppers, kidney beans, cauliflower, garlic bolts, and Chinese chives.

The nationwide circulation of vegetables provides many vegetable farmers the opportunity to get rich. Garlic-producing Cangshan County, Shandong, has developed garlic bolt production. Last year production of garlic

bolts alone brought in per capita income of 100 yuan for the whole county. Thanks to its cool climate, Zhangjiakou Prefecture has increased its annual income by tens of millions of yuan by growing special off-season vegetables in autumn. Hebei's Guan County, which is close to Beijing, supplies nearly 200 million kg of fresh vegetables to Beijing, Tianjin, and other cities, bringing a yearly per capita income of more than 120 yuan for the whole county. A vegetable farmer said happily: "You had better plant vegetables if you want to get rich fast."

East Region

Jiangxi Party Congress Holds Plenary Session

HK0210034290 Nanchang Jiangxi Provincial
Service in Mandarin 1100 GMT 25 Sep 90

[Excerpts] On the morning of 25 September, the Ninth Jiangxi Provincial CPC Congress held a plenary session to formally elect members and alternate members of the Ninth Jiangxi Provincial CPC Committee and (members) of the Jiangxi Provincial CPC Discipline Inspection Commission. [words indistinct] [passage omitted]

Congress presidium Standing Committee members, including Mao Zhiyong, Wu Guanzheng, Liu Fangren, Jiang Zhuping, Wang Zhaorong, Lu Xiuzhen, Wang Taihua, Ma Shichang, Zhang Chuanshi, Zhao Zengyi, Di Sheng, Liu Zhonghou, Wang Sufeng, Zhu Zhihong, Xu Qin, and Wu Ping, were seated in the rostrum's front row. All the presidium members were seated at the rostrum.

Comrade Wu Guanzheng presided over the session. [words indistinct] [passage omitted]

The session elected 43 members and seven alternate members of the Ninth Jiangxi Provincial CPC Committee and 28 members of the Jiangxi Provincial CPC Discipline Inspection Commission.

When the election results were announced at the session, the audience burst into warm applause.

The session announced a namelist of deputy directors of the provincial advisory group, which was submitted by the Standing Committee of the Eighth Jiangxi Provincial CPC Committee, in accordance with the relevant central regulations and in light of our provincial realities, to the CPC Central Committee for discussion.

Jiangxi Discipline Commission Elects Head

HK0310083590 Nanchang Jiangxi Provincial Service
in Mandarin 1100 GMT 26 Sep 90

[Text] On the morning of 26 September, the Jiangxi Provincial CPC Discipline Inspection Commission held its first plenum. Comrade Zhu Zhihong presided.

The plenum elected through secret ballot secretary, deputy secretaries, and Standing Committee members of the Jiangxi Provincial CPC Discipline Inspection Commission and submitted the namelist to the first plenum of the Ninth Jiangxi Provincial CPC Committee for approval.

The namelist of secretary, deputy secretaries, and Standing Committee members of the Jiangxi Provincial CPC Discipline Inspection Commission is as follows:

Secretary: Zhu Zhihong.

Deputy Secretaries: (Yuan Xuanjun), Tang Yuanquan.

Standing Committee Members: Zhu Zhihong, (Yuan Xuanjun), Tang Yuanquan, (Chen Tangqing), Liu Shuangyang, Luo Guangqi, Yu Li.

Jiangxi Leaders Inspect Construction Projects

HK0510080190 Nanchang Jiangxi Provincial
Service in Mandarin 1100 GMT 1 Oct 90

[Excerpts] This morning, party and government leaders of the province and the city, such as Mao Zhiyong and Wu Guanzheng, inspected Nanchang's urban construction projects. They attended the ceremony to open a new project in Beijing Road East to traffic and the ground-breaking ceremony of (Junyun) Water Factory, bringing with them holiday greetings to builders of urban construction.

Among the party, government, and Army leaders of the province and the city participating in the inspection were (Ma Shichang), Zhang Chuanshi, Zhu Zhihong, Liu Zhonghou, Xu Qin, Wu Ping, Wang Zhaorong, (Chen Bingde), Jiang Zhuping, member of the Central Advisory Commission Bai Dongcai, as well as Zhao Zengyi and (Fu Yuting).

Provincial and city leaders first attended the ceremony to open a new project in Beijing Road East to traffic. Mao Zhiyong, Wu Guanzheng, and Zhao Zengyi cut the ribbon at the ceremony. [passage omitted]

Then, the leaders drove to Beijing Road West which had been reconstructed and inspected a newly-built subway. [passage omitted]

Some of the leaders, such as Wu Guanzheng, attended the ground-breaking ceremony of (Junyun) Water Factory and laid a foundation stone for this project. [passage omitted]

After that, the leaders came to the site of Nanchang Bridge and inquired about the progress of the project and the living conditions of the workers. [passage omitted]

Lastly, they went aboard a communication ship owned by the provincial armed police ship team and inspected some scenic spots along the river, such as Tengwang Court. [passage omitted]

Shandong's Jiang Chunyun Attends Ceremony

SK0310054390 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 2 Oct 90

[Text] On the evening of 2 October, the provincial authorities sponsored a ceremony to promote the status of the provincial Beijing Opera Troupe, the provincial Lu-Opera Troupe, and a provincial drama troupe from troupes to institutes at the office of the provincial drama troupe. Over the past 40 years since their founding, the broad masses of artists, actors, and actresses of these provincial level troupes have performed many fine-quality dramas and operas, such as "Launch Surprise Attack to the White-Tiger Regiment," "The Remarriage

of Second Lin's Sister-in-Law," and "The Aftermath of Bumper Harvest," by boldly creating something new and scaling heights in the arts. They have also trained a large number of outstanding talented artistic personnel. In order to improve the province's theatrical undertakings to a new level and with the approval of the provincial reading and editing commission, the three troupes, effective 2 October, will be formally promoted from troupes to institutes.

Sending congratulatory messages and letters to the ceremony were almost 100 units and individuals, including Cao Yu, chairman of the Chinese Dramatists' Association and the honorary president of Beijing People's Artistic Institute.

Attending the ceremony on the evening of 2 October were leading comrades, including Jiang Chunyun, Zhao Zhihao, Miao Fenglin, Tan Fude, Lin Ping, Yan Qingqing, and Ding Fangming.

Following the ceremony, the actors and actresses of these provincial troupes gave outstanding performances.

Shanghai Vice Mayor on Pudong Development

HK0510072390 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No. 39, 24 Sep 90 pp 3-4

[Article by Huang Ju, executive vice mayor of Shanghai Municipality: "Accelerate the Development of Pudong, Open Wider to the Outside World"]

[Text] Developing and opening the new Pudong Zone of Shanghai is a great project that spans centuries. On 18 April this year, Premier Li Peng announced in Shanghai to people at home and abroad that the central authorities have agreed with Shanghai on developing and opening Pudong, which raised the curtain on the construction of this historic project. On 10 September, the leaders of the departments concerned of the State Council made a special trip to Shanghai and released a number of laws and regulations on the new Pudong Zone approved by the State Council, which marked the substantial commencing stage of developing and opening Pudong.

I

The information about developing and opening Pudong has aroused fervent reactions at home and abroad. Many figures of industrial and commercial circles abroad have come to the new Pudong Zone to conduct investigation and to hold talks on investment and development. To date, the new Pudong Zone of Shanghai has received some 1,500 groups of over 4,000 people who had intention of making investment; approximately 100 projects of industry and tertiary industry have been under discussion. Facts prove that the strategic policy decision of the central authorities on developing and opening Pudong is completely correct and that developing and opening Pudong has strengthened the confidence of many figures abroad in the open policy that China continues to implement.

The fraternal provinces and municipalities have also shown concern for the development and opening of Pudong and many areas have expressed their intention to develop and build new Pudong jointly with Shanghai. This is a very great encouragement to Shanghai. Over a long period of time, Shanghai has all along enjoyed the support of its fraternal provinces and municipalities for its development and the new Pudong Zone of Shanghai has also needed its fraternal provinces' and municipalities' efforts to assist it with its development. At present, Shanghai has exchanged views with its adjacent provinces and cities, including Jiangsu, Zhejiang, Anhui, and Shandong, on jointly developing and utilizing Pudong and has reached some initial agreements.

Developing and opening Pudong is a glorious yet arduous task for the Shanghai people. The present Shanghai economic development is at an important historical turning point. On the one hand, after the birth of New China 40 years ago, particularly after 10 years of reform and opening up, Shanghai has strengthened its actual economic strength very greatly and established a comparatively complete industrial production structure. Its industrial categories are relatively complete and cooperative and coordinative ability is stronger. It has assembled a large number of talented people with better quality in the fields of science, technology, and management and has a powerful force of industrial workers, a good geographic environment, conditions of convenient communications and transport, and extensive contacts with various places abroad. These comprehensive strong points have prepared many favorable conditions for the economic rejuvenation of Shanghai in the 1990's. On the other hand, as an old industrial base and in the face of a series of problems, including obsolete industrial equipment and backward urban infrastructure, especially under the influence of the shortage of funds, energy resources, and raw materials at home and the current weak market, Shanghai has encountered many difficulties in its economic development. Deciding to develop and open Pudong provides Shanghai with a turning point. Through opening wider to the outside world, deepening structural reform, pooling the wisdom and efforts of everyone, and struggling hard and with the support of the central authorities and the people of the whole country, we must build the new Pudong Zone well and strive to basically build Shanghai into a modernized international city with an export-oriented economy.

II

Opening up wider is the biggest characteristic of the development of Pudong. According to the requirements of the central authorities, our target is to build Pudong into the symbol of modernized Shanghai in the 21st century and into an important window and base of China's opening to the outside world in the 1990's. The Pudong Development Zone of Shanghai is not called an "economic and technological development zone," nor is it called a "special economic zone" but called "new Pudong Zone. How "new" is the "new Pudong Zone"? It

is new because opening up wider is closely integrated with giving play to the strong points of Shanghai.

First, opening up wider is to be integrated with giving play to the strong points of Shanghai port. In light of the experiences of various countries in the world in building all kinds of economic development zones and special economic zones, the largest degree of opening up of a free port and a free trade zone can provide international trade and economic contacts with the most extensive aspect of contacts and aspect of exchanges. The State Council has, therefore, approved the building of a close bonded zone (namely a free trade zone) near Waigaoqiao Port of Pudong, which is an important policy decision on opening up wider. As the Waigaoqiao bonded zone is adjacent to the port and directly links the outlet of the Chang Jiang, it gathers in itself many functions, including exports processing, warehouse storage, transport, and trade, and will become a district with a high degree of opening up to develop the export-oriented economy of Shanghai.

Second, opening up wider is to be linked with strengthening a multifunctional role. The State Council has approved all-around opening up in the 350 square kilometers of the new Pudong Zone; this is the largest development zone in China up to the present. To strengthen the multifunctional role of the city, the new zone will permit foreign businessmen to initiate tertiary industry, including financial trade, estate trade, retail commerce, and information and advisory trade. This also provides entrepreneurs and bankers at home and abroad with a wider investment sphere and more cooperative opportunities. Preparations for the building of the first stock exchange at home are being made and the stock exchange will open in Shanghai within this year. According to the "Regulations Governing the Financial Organs With Foreign Capital or With Both Chinese and Foreign Capital in Shanghai," a number of finance companies with Chinese and foreign capital and branches of banks with foreign capital will open in Shanghai. At the same time, foreign capital and foreign advanced management experience will be introduced to further enliven finance and to improve the investment environment.

Third, opening up wider is to be integrated with speeding up the technological transformation in the old industrial base. The State Council has approved the implementation of an inclination [qingxie 0282 2438] policy within Shanghai that according to the industrial policy, preferential conditions can be given to the old enterprises that utilize foreign capital to carry out technological transformation. To attract more foreign direct investments that conform to the industrial direction, the preferential policy for the new Pudong Zone is also applicable to the three existing economic and technological zones of Shanghai. In addition, we are also prepared to use the method of investment in stocks on a trial basis and shall permit the existing enterprises to sell their stocks or to issue stocks to attract foreign businessmen to participate

in the transformation of enterprises, and give play to the industrial strong points of Shanghai again.

In one word, in the development of Pudong, opening up wider is to be integrated with giving play to the strong points of Shanghai. The degree of opening up of Shanghai is to be further increased and the development of the export-oriented economy of Shanghai is to be promoted and accelerated.

III

Developing and opening Pudong is a long-term task. Considering from a long-term point of view, we must develop Pudong, work out a good plan for opening up, and in the light of realities, do all preparatory work in the preliminary period well and in a down-to-earth manner. On the basis of the principle of "carrying out the overall plan step by step," Shanghai is prepared to gradually push forward the development and building of Pudong in a systematic way and by stages. In the course of developing and opening Pudong, emphasis should be placed on grasping the following several aspects of work:

1. To develop Pudong, it is necessary to make full use of foreign capital. Shanghai will further perfect all laws and regulations relating to external business, continue to improve the investment environment, and create excellent investment conditions for the investors abroad. Foreign businessmen can invest in the establishment of factories by making use of the existing parts of infrastructure and factory premises, develop a plot of land in Pudong, and bring their capital and projects to Pudong for the purpose of construction. Some large world-famous companies must especially be attracted to Shanghai to lease land, to set up enterprises, and to establish several large industrial projects in the new Pudong Zone. It is also necessary to strive for long-term low-interest loans from foreign governments and international financial organizations to build parts of the infrastructure. It is essential to concentrate our forces to run well the existing three development zones and a number of Sino-foreign joint ventures, Sino-foreign contractual joint ventures, and wholly foreign-owned enterprises that have already been set up, to give full play to their exemplary role, and to strengthen our appeal to foreign businessmen's investments.

2. To develop Pudong, it is imperative to make "China brand" products. Actively developing lateral economic ties is an important way to speed up the development of Pudong. On the basis of egalitarianism and mutual benefit, Shanghai will cooperate with various departments of the central authorities and fraternal provinces and municipalities to jointly develop Pudong. In the course of developing and building Pudong, the enterprises of the fraternal provinces and municipalities and central authorities are welcome to cooperate by making investments, to set up factories and shops, to jointly organize and build groups of enterprises with the well-known brand products as the "major product," and to develop exports. They are also welcome to Pudong to

lease land and to participate in development. Moreover, extensive two-way cooperation and exchanges must also be carried out in the aspects of finance, trade, transport, management, information, and talented people. In light of this, Shanghai will vigorously create conditions, do service work well, and make efforts to build the new Pudong Zone into a world window and base for Shanghai and the fraternal provinces and municipalities.

3. To develop Pudong, it is essential to strive for high efficiency and good economic results. The development and opening of Pudong is a huge systems engineering project and organizational leadership must be really strengthened. The municipal government has set up a Pudong development leadership group with three vice mayors as the head and deputies. Furthermore, the whole municipality has transferred a number of cadres, who have good political quality, knowledge of development, and experiences in external business, to organize and set up the Pudong development office and the Pudong development planning and research institute of the municipal government. On the basis of the principle of separating the functions of the government from those of the enterprises, at the initial stage of development, development companies have already been set up respectively for key projects, including the Waigaoqiao bonded zone, the Lujiazui finance and trade zone, and the Jinqiao exports processing zone. These three development companies will coordinate comprehensive development in a unified way in their zones. According to the principle of "new zone, new things, and new method," we must also gradually push forward reform of the economic management structure, establish an economic operation mechanism that suits the international conventions, and strive for high efficiency and good economic results of investments in the course of developing Pudong.

4. To develop Pudong, it is necessary to bring along the transformation of Puxi. The Pudong area is a component part of Shanghai and this requires us to consider the development and opening of Pudong from the angle of the transformation and development of Shanghai as a whole. A high starting point, multilevel development, and the export-oriented economy should be the main target of the industrial mix of Pudong. In the preliminary period of development, we must pay close attention to the coordinated development of the secondary and tertiary industries, particularly center on the absorption and utilization of foreign capital, vigorously develop the financial, trade, estate, information, and advisory work, and form a complete set of structures to serve foreign businessmen. The focal points of the industrial projects imported by Pudong are the technical-intensive industries and the development of the processing industry of the new generation of export products that can enter the international market. At the same time, in conjunction with the industrial mix and the readjustment of the urban layout, some factories in Puxi must be moved to Pudong, the other satellite cities and towns, and suburban counties in a planned way. This will gradually

mitigate the state of the old excessively densely populated urban areas and shortage of urban facilities and will rejuvenate the old Puxi urban area.

5. To develop Pudong, it is essential to first build the parts of infrastructure. At present, it is of the first importance to solve the traffic question. There are now two cross-river tunnels at the bottom of the Huangpu Jiang. At the end of next year, the first large Nanpu Bridge across the Huangpu Jiang will be completed in the new Pudong Zone and subsequently the second large bridge will be built. At the same time, an express round-the-city route that links Pudong with Puxi will be built. The construction of the first subway system in the municipality is being stepped up and it is anticipated that it will be open to traffic in the first part of the 1990's and will lead further to Pudong. In addition, the construction of four wharves along the Waigaoqiao Port of Pudong, a tap water plant, a power plant, the second phase of Pudong gas plant, and telephone and telecommunications projects will begin or be completely carried out next year. It is estimated that these parts of the infrastructure can be completed in three to five years or so. This will play an important part in improving the urban appearance and investment environment of Shanghai and at the same time, lay a good foundation for the development and opening of Pudong.

The development and opening of Pudong is an important historical task of the CPC Central Committee and State Council for the people of Shanghai. We must further emancipate our thinking, change our concepts, persist in grasping material civilization and spiritual civilization simultaneously, do well this important task of developing and opening Pudong, and make new contributions toward the economic development of our whole country.

Zhu Rongji Inspects Construction Site Accident

*OW0410215690 Shanghai City Service in Mandarin
1000 GMT 4 Oct 90*

[From the "News and Weather" program]

[Text] Yesterday, a serious accident involving injuries and deaths occurred at the job site of Pudong's main approach to the (Nanpu) Bridge, which is still under construction. At 1720, when a prestressed and reinforced concrete beam was hoisted up to be installed at 17 meters onto an overhead bridge foundation constructed on bridge pier No. 20 on the bridge approach, the semifinished reinforcing steel snapped and the 36 metric ton overhead bridge foundation fell with the overturned 5 metric ton semifinished beam. As a result, three people were killed, two were seriously injured, and six suffered minor injuries.

After the accident, Zhu Rongji, Huang Ju, Wang Liping, Ni Tianzeng, and other leaders of the municipal party committee and the municipal government rushed to the site to inspect the situation. They instructed a group to be set up immediately to investigate and deal with the

aftermath of the accident. Furthermore, they required that effective measures be taken to step up safety work. Zhu Rongji and Huang Ju also visited the injured at the hospital to express sympathy and solicitude. They urged the medical personnel to spare no effort in taking care of the injured.

The bridge construction headquarters held an emergency meeting this morning on the spot of the accident, calling on every construction unit to take immediate action to check construction safety, remove hidden perils that may cause accidents, and ensure construction safety. The cause of the accident is presently under investigation.

Central-South Region

Crew Members Suspected in Plane Hijacking

HK0510022690 Hong Kong MING PAO in Chinese
5 Oct 90 p 2

["Radio Station Quotes Sources as Saying Crew Members Were Involved in Hijacking"]

[Text] Hong Kong Commercial Radio yesterday quoted a reliable Guangzhou source as saying that the investigators in charge of the case of the Baiyun Airport plane crash suspected that there might be as many as three people, including crew members, involved in the hijacking.

Six of the nine crew members who were on board the hijacked airplane have died. The three survivors are now in the hospital, isolated and under strict surveillance by security personnel. Whether they were involved in the hijacking has yet to be discovered through investigation.

The reliable source also quoted the survivors as saying that after the plane took off, no welcoming message, but the program instructing passengers how to deal with emergencies was broadcast in the passenger cabin, and this indicates that the hijacking may have taken place soon after takeoff.

Guangdong Overfulfills Export Quota

OW0410115590 Beijing XINHUA in English
0832 GMT 4 Oct 90

[Text] Beijing, October 4 (XINHUA)—South China's Guangdong Province has fulfilled its state-set annual export quota four months ahead of schedule, the "ECONOMIC DAILY" reported today.

By mid-September this year, the province had earned 6.8 billion U.S. dollars from exports, and processing with supplied materials, fulfilling its annual quota by 108 percent—up 31 percent over the same period of last year.

According to statistics, among the earnings of foreign exchange, Guangdong exported goods valued at 4.15 billion U.S. dollars from January to mid-September this year, up 18 percent over the same period last year. The province also earned 400 million U.S. dollars from

processing supplied materials and samples, and assembling machine parts. The province's foreign-funded enterprises exported goods valued at 2.2 billion U.S. dollars in the same period, up 74 percent.

Meeting on Economic Development for Minorities

HK0510023390 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 1 Oct 90

[Excerpts] The regional meeting to exchange experience in economic construction in minority nationalities townships closed in Nanning on 30 September.

So far 58 minority nationalities townships have been established across the region. Since the Third Plenary Session of the 11th CPC Central Committee, party committees and governments at different levels have conscientiously implemented the Law on Regional Autonomy for Minority Nationalities. Consequently, minority nationalities townships throughout the region have achieved further progress in their economic development. Nevertheless, restricted by natural conditions, the level of productive forces in those townships is still relatively low and the problem of food and clothing for the masses has not been thoroughly solved. The already-closed regional meeting to exchange experience in economic construction aimed at probing into how to break a new path for an economic upturn in those minority nationalities townships in line with the actual situation in the region, and how to quicken steps in extricating different nationalities from poverty and make them rich. [passage omitted]

The regional party committee Secretary, Chen Huiguang; the regional people's government Chairman, Cheng Kejie; and the regional people's government special adviser, (Zhang Shenzheng), met with all representatives and made some remarks respectively.

Southwest Region

Guizhou Efforts on Major Criminal Cases Viewed

HK0510031790 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 28 Sep 90

[Text] The provincial planning commission, supervision office, and procuratorate jointly called a news briefing yesterday morning to issue a circular on the province's efforts to examine and act on major criminal cases during the January-August period this year. During this period, breakthroughs were made by the province's planning and supervisory departments and affiliated organizations in their case-handling work. A total of over 2,900 cases were placed on file for investigation and prosecution, over 2,100 cases resolved, and more than 2,000 party members punished for various violations of discipline, among whom five were departmental cadres at the prefecture level and more than 40 sectional cadres at the county level. Meanwhile, efforts were made throughout the province to resolve the problem of occupying land to build private houses and sternly deal with

cadres who had violated discipline and the law. As a result, over 74,000 square meters of buildings were demolished or confiscated.

This year, provincial supervisory organizations have placed emphasis on major cases in the following three fields: First, problems of violating the law and discipline by leading bodies and leading cadres should be resolutely investigated and dealt with; second, the investigation and handling of major criminal cases uncovered in screening and rectifying companies be emphasized; and third, the investigation and handling of those large and major cases which greatly retarded the province's economic development be vigorously grasped. Five hundred and ninety cases of administrative leading bodies and leading cadres violating the law and discipline were placed on file for investigation and prosecution.

During the period between January and August this year, procuratorial organizations throughout the province filed for investigation a total of over 1,940 economic criminal cases, such as corruption and bribery; concluded the investigation of over 1,190 cases; and recovered illicit money totaling more than 14.39 million yuan. At the same time, they filed for investigation over 660 cases of infringing upon civil rights or of malfeasance, among which 75 were major or exceptionally serious cases.

At the news briefing, Liu Hanzhen, member of the provincial party committee Standing Committee and director of the provincial planning committee, emphasized: Efforts should be made to further strengthen the building of party style and that of a clean and honest government, and continue to unrelentingly grasp law enforcement and case-handling work with practical results. Party and government leaders at all levels should grasp the work of checking unhealthy tendencies in trades as a major issue and, starting with ideological education, set up and perfect discipline, rules, and regulations in trades with regular checks and supervision on their implementation. Major cases uncovered in checking unhealthy tendencies in trades should be vigorously investigated and acted on. Leaders at all levels should conscientiously fulfill the protection function by continuously investigating and resolving new problems that emerge in the reform and opening up to protect the party members and cadres' justified and legal rights in accordance with the law.

Tibet Leaders Attend National Day Garden Party

*OW0210185490 Lhasa Tibet Television Service
in Mandarin 1300 GMT 1 Oct 90*

[From the "Tibet News" program]

[Excerpt] [Video opens with a medium shot of Hu Jintao and other regional leaders walking in a field where brightly decorated tents are set up under nearby trees] People of all nationalities in Lhasa converged at Luobulinka to celebrate the 41st anniversary of the founding of the PRC on 1 October.

In the morning, leading comrades of the autonomous region Hu Jintao, Gyaincain Norbu, Tian Congming, Basang, Mao Rubai, Danzim, Zi Cheng, Cao Xu, Senqen Lozong Gyaincain, Pudoje, Gyamco, Gong Daxi, Zheng Ying, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain, Puncog, and Huokang Suolang Bianba, as well as responsible comrades of Lhasa City and some autonomous regional departments, bureaus, commissions, and offices, participated in the national day garden party with great interest.

[Video shows a medium shot of Hu Jintao and Gyaincain Norbu seated inside a tent, chatting with people] Regional leading comrades mingled with the masses in each tent. Under the tent of the regional Agricultural Commission, Hu Jintao and Gyaincain Norbu extended greetings to the experts dispatched by the Ministry of Water Resources to work in Tibet, and thanked them for their laborious work. [passage omitted]

Pu Chaozhu Speaks on Discipline Inspection

*HK0310130990 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 29 Sep 90*

[Excerpts] The Yunnan provincial CPC discipline inspection working conference was closed in Kunming yesterday. Provincial CPC Secretary Pu Chaozhu spoke at the conference. In his speech, Pu Chaozhu treated five issues: 1) It is important to have a clear idea of the current developments, take the overall situation under control, and strengthen party building; 2) it is important to give full credit to achievements and conscientiously summarize experiences; 3) the building of party conduct is an integral part of party building, therefore it is necessary to put the building of party conduct into the entire process of party building; 4) current important tasks in discipline inspection; and 5) self-improvement of the discipline inspection teams.

Pu Chaozhu said: Discipline inspection must be grasped with both hands, one for education, the other for discipline; and strenuous efforts should be made on the former, as prevention is more important than punishment. Bringing a small number of people to discipline is also for the purpose of educating the majority and the offenders themselves.

Pu Chaozhu also said: At present, it is necessary to continue to investigate, handle, and wind up major and important cases, to analyze and line up cases. For those cases in which the truth is not yet clear and the evidence not conclusive, efforts should be made to muster strength to expedite the handling process and raise the rate of completed cases. For those cases which have been investigated and are waiting to be handled, party committee secretaries should take care of them personally; supervise, inspect, and guide the handling; and, in accordance with the procedures required in handling major cases, examine them in time and conclude them as early as possible. Besides, it is necessary to, in accordance with the procedures for filing cases, grasp another batch of major and important cases in light of the existing clues

and reports from the masses, which have been preliminarily verified, and carry out in-depth investigations. [passage omitted]

North Region

Inner Mongolia Boosts Ethnic Minority Education

OW0410121990 Beijing XINHUA in English
0902 GMT 4 Oct 90

[Text] Beijing, October 4 (XINHUA)—The Inner Mongolia Autonomous Region has exceeded the national average by enrolling 97.9 percent of its children in school, the "GUANGMING DAILY" reported today.

Inner Mongolia is comprised of compact communities in which the Mongolians live alongside other ethnic minority groups.

According to the paper, in the early 1950s the region had only four middle schools and 300 primary schools for ethnic minority children. At that time the number of illiterate and semi-illiterate accounted for 95 percent of the regional population.

Now, Inner Mongolia has 3,216 primary schools with an enrollment of 438,000 ethnic minority children.

The paper noted that ethnic minorities in the region now have one primary school per 1,000 people; one junior middle school per 10,000 people; one senior middle school per 30,000 people; and one teacher training school per 300,000 people.

The region has encouraged local people to raise funds to run schools, and at the same time has spent more than 10 million yuan helping remote and pastoral areas improve school conditions.

Ethnic minorities account for 25.8 percent of the students studying in the region's 19 colleges and universities. There are 129 ethnic minority students undertaking study at the postgraduate level.

In addition, the region has established a Mongolian language publishing house which produces five million copies of 350 teaching texts and materials each year.

Reform Boosts Inner Mongolian Agriculture

OW0410120790 Beijing XINHUA in English
0833 GMT 4 Oct 90

[Text] Beijing, October 4 (XINHUA)—The Inner Mongolia Autonomous Region reports a good grain harvest, accompanied by a record in livestock-breeding for the year, "ECONOMIC DAILY" reported today.

The region's grain harvest of eight billion kilograms is an increase of 18 percent over last year.

Annual gross output value of animal husbandry, the amount of domestic animals in stock, and the output of

meat have risen 7.9, 4.6 and 10.6 percent, respectively. This is the sixth consecutive year to show an increase.

A regional agriculture official attributed the good results to the implementation of the contract production responsibility system, and to the party's reform and open policy.

According to the official, the rapid agricultural development has promoted the growth of the regional industry, and has resulted in a complete industrial sector.

The regional gross industrial output value reached over 15.53 billion yuan last year.

The regional government has decided to place greater emphasis on the construction of energy projects, transport and telecommunications in order to boost the regional economy even higher.

Tan Shaowen Attends National Day Soiree

SK0210020190 Tianjin City Service in Mandarin
2300 GMT 30 Sep 90

[Excerpts] On the evening of 30 September, the Tianjin auditorium was filled with a joyful atmosphere because the municipal party committee and government held a soiree there to warmly celebrate the 41st founding anniversary of the PRC. [passage omitted]

Municipal leaders including Tan Shaowen, Nie Bichu, Liu Jinfeng, Wu Zhen, Yan Jakai, Zhang Zaiwang, Yang Zhihua, Chen Deyi, Yang Jingheng, Yang Huijie, and veteran comrades such as Liu Gang, attended the soiree. [passage omitted]

Also attending the soiree were leading comrades of the municipal party committee, the municipal Advisory Commission, the municipal People's Congress Standing Committee, the municipal government, the municipal committee of the Chinese People's Political Consultative Conference [CPPCC] and the Tianjin Garrison District, veteran comrades, various democratic parties, model workers and representatives from various localities, a total of more than 5,000 people.

Attends Festive Soiree

SK0310053990 Tianjin City Service in Mandarin
2300 GMT 2 Oct 90

[Excerpts] On the evening of 2 October, the municipal Chinese People's Political Consultative Conference [CPPCC] Committee sponsored a Moon Festival soiree at the grand auditorium of the Tianjin Guesthouse with the participation of personages from various social circles.

Attending the soiree were leading comrades from the municipal level organs, including Tan Shaowen, Liu Jinfeng, Wu Zhen, Yang Zhihua, Yang Jingheng, Wang Xudong, Huang Yanzhi, Wang Chenghuai, Li Huifen, Chen Deyi, Yang Jianbai, Yu Fujing, Zhu Wenju, Pan Yiqing, Li Changxing, Li Zhendong, Qian Qiao, Xiao

Yuan, Zhao Jinsheng, He Guomo, Yu Songting, Liao Canhui, Yang Hui, Yao Jun, Wu Tingqiu, Yu Guozong, Xie Shaoyi, (Gu Fenghe), Zhang Zhen, (Zhu Fanggui), (Tang Yu), (Wu Xiaohuai), and (Yu Zhenduo).

Also attending the soiree were Guo Jinhui, secretary general of the municipal CPPCC committee; Liu Zengti, director of united front work department under the municipal party committee; veteran comrades, including Wang Enhui, Lu Da, Wu Zhen, Tan Songping, Li Dongyuan, Bai Hua, Zhao Zhong, Li Ming, Zhou Ru, and Ji Zenghui; and responsible persons from various democratic parties, including (Chen Peiyu), (Zhang Yuanhou), (Zhang Huawen), (Qian Rongshu), (Miao Wenxian), and (Liu Zhisheng).

At the beginning of the soiree, Liu Jinfeng, deputy secretary of the municipal party committee, delivered a congratulatory speech. [passage omitted]

During the soiree, the participating friends from various social circles viewed the outstanding performances of song, dances, and drama presented by the schoolchildren and the municipal literary and art workers.

Tianjin Zone To Modernize Industrial Structure

OW0410121890 Beijing XINHUA in English
0851 GMT 4 Oct 90

[Text] Tianjin, October 4 (XINHUA)—Tianjin, a port city in north China, has stepped up construction of a new technology zone in a bid to improve its industrial structure.

The new technology zone, located in the southwest of the city, covers an area of 43 square kilometers. It has 11 universities and colleges, and 86 scientific research institutes with more than 30,000 scientists and technicians.

The construction of the zone, initiated in 1987, includes a 580,000 square meter research base, a technological trade street and a production district.

A total of 102 new technology enterprises have been set up along the trade street. The enterprises are a combination of research, processing and production centers.

In the past two years, the enterprises have developed 816 new products related to electronics, electric machinery, new materials and bio-engineering.

Many of the products have sold well on the world market. Export volume from the enterprises is predicted to reach five million U.S. dollars this year.

The Tianjin Municipal Government has great expectations for future development of the zone. It plans to build 500 enterprises on the trade street by the year of 1995. These enterprises are expected to have a yearly production value of one billion yuan.

The aim of building of the zone is to modernize the traditional industrial structure of Tianjin.

Northwest Region

Gansu Officials Call For Combating Drought

HK0510053190 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 3 Oct 90

[Text] As of today, cadres of offices directly under the provincial authorities and offices of Lanzhou City as well as officers of People's Liberation Army units, will in turn participate in voluntary work for capital construction on farmland and of water conservancy works for 10 consecutive days.

Yesterday afternoon, the provincial party committee Secretary, Li Ziqi, gave an account of this year's agricultural production of our province and the decision by the provincial party committee and government to press circles. Governor Jia Shijie delivered a speech at a mobilization rally organized by the provincial people's government. Speaking about the agricultural situation in our province, both Li Ziqi and Jia Shijie pointed out: Generally speaking, the situation is pretty good. Despite low temperatures, hailstorms, and plant diseases and insect pests, which were all seen in recent years, this year our province has reaped a good harvest of summer crops, instead of a drop in agricultural production. Jia Shijie said: Aside from the aforementioned reasons, another reason why we could reap bumper harvests in a year of frequent natural disasters is that we have made tremendous efforts to improve basic conditions for agricultural production in recent years. Li Ziqi said: This is an effective measure to eliminate poverty and backwardness in our province. We should resolutely follow the path, which is full of promise. Jia Shijie also said: Having seriously summed up experience, the provincial party committee and government have begun to work out a plan for capital construction on farmland and of water conservancy works, which consists of three major steps. The first step is to bring the existing irrigation works into full play, make efforts to complete all unfinished water conservancy projects, and increase 2 million mu of irrigated land. This work has been carried out in an all-around way. The second step is to develop key water conservancy projects, such as bringing the Shule He valley under control. The third step is to divert water of the Tao He, follow the [words indistinct] road, and plan to increase 1.5 million mu of irrigated land and at the same time, chiefly solve the problem of water shortage in the near future. Both Li Ziqi and Jia Shijie emphatically pointed out: The fulfillment of the plan depends on the effort of the people of the whole province and we should not wait for investment from the state. The provincial party committee and government called on all localities to launch a vigorous mass campaign for construction on farmland and of water conservancy projects in autumn of this year and spring of next year. Party and government leaders should set an example and take the lead in supporting agriculture and do their part to change the face of drought and poverty in our province.

Qinghai Industrial Production Increases Jan-Aug

*HK0410114390 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 28 Sep 90*

[Text] The province's industrial production developed steadily from January to August this year, playing an important role in stabilizing the overall economic situation. In the first eight months, the decline in light industrial production slowed down; production of energy and raw materials industry increased steadily; and that of coal, crude oil, power generation, rolled steel, synthetic ammonia, cement, asbestos, and mineral resources all increased compared with the previous year.

Large and medium size enterprises maintained progress in their production and their output value totaled 1.13 billion yuan, thus they played a backbone role.

While labor productivity continued to increase, all-personnel labor productivity of the state-owned industrial enterprises practicing independent accounting amounted to 9,800 yuan in the first eight months, an increase of over six percent over the same period last year. All-personnel labor productivity of the heavy industry amounted to 9,500 yuan, an increase of 14.4 percent.

Editorial Links Taiwan to Hijacking Incidents*HK0410063690 Hong Kong WEN WEI PO in Chinese
4 Oct 90 p 2*

[Editorial: "Denounce Aircraft Hijacking Atrocity, Raise Precaution Level"]

[Text] The Mid-Autumn Festival is a time for family reunions in China. All people hope to see all families joyfully get together in the evening when the moon is full. It was a pity that a CAAC passenger plane from Xiamen was hijacked by a thug, and a serious accident which caused 127 deaths happened when the plane landed. Those who died in the accident could not get together with their families in the festival, and those families had to spend a sorrowful festival. People all feel great sympathy for the victims and their families, and hope that the authorities concerned will do their best to properly deal with the aftermath of the accident.

The direct factor that caused this tragic accident was the hijacking action. The terrorist activities of hijacking have been severely condemned by all people throughout the world. In order to achieve their selfish purposes, the hijackers harmed innocent people. Their action is absolutely intolerable and unforgivable. All countries and regions in the world should severely condemn such inhumane terrorist activities, and deal with hijacking cases strictly according to the relevant international conventions by sending the hijackers back for trial to the countries where the hijackings occur.

In the aircraft hijacking incidents on the mainland in recent years, the hijackers all tried to force the planes to fly to Taiwan, and they were all criminal offenders at large. This phenomenon should be noticed by the authorities on both sides of the strait. Why did those desperadoes regard Taiwan as the paradise for evading criminal penalties? Why did they take aircraft hijacking as a shortcut for getting off scot-free? Was this related to Taiwan's favorable treatment of hijackers from the mainland, who were tolerated or even hailed as heroes? The Taipei authorities should indeed review this. As the ties between the mainland and Taiwan have become closer, there are often Taiwan passengers on board mainland planes. If the Taiwan authorities do not care for the safety of the mainland passengers, they should still care for the safety of the Taiwan passengers. Therefore, it is necessary for Taiwan to reach an agreement or a tacit agreement with the mainland authorities on repatriating hijackers and returning hijacked planes back to their original places without delay. With such an agreement, would-be hijackers will find that hijacking is a road to self-ruin, and no one will dare to take the desperate action. This is because even if they succeed in hijacking a plane, they will still not be able to escape from the ignominious end of being punished. Even if the authorities on both sides cannot immediately reach an agreement, they should still unilaterally announce their position of severely punishing hijackers.

In the hijacking case, there were certainly some loopholes in the anti-hijacking precautionary measures at the Xiamen airport. According to initial reports, the hijacker was a criminal offender who was pursued in three provinces. How could such a person buy the ticket? How could he bring weapons or explosives onto the plane? The authorities should thoroughly investigate these points, strictly stop up the loopholes, and prevent all negligence. Xiamen is the closest airport to Taiwan. Desperadoes will certainly regard it as the shortcut, so the precautions should be particularly strict.

It is also necessary for the crew to fully sum up the experience of calmly and adeptly dealing with hijackers if they try to take such terrorist actions, and to safely handle the incident. If the crew has a complete set of reasonable action guidelines, they will be able to reduce the tragedy of plane crashes and loss of life to a minimum. In the recent hijacking incident, the ground authorities instructed the pilot to land in any place inside or outside the mainland in order to avoid conflicts which might affect the safety of the passengers. However, the plane still landed at Baiyun Airport. It is now hard to say whether this was the personal decision of the pilot as the case is still being investigated. However, a lesson should be drawn, and all pilots should be able to understand the spirit of the instruction of the ground authorities and should firmly give first consideration to the safety of the passengers. This is an important point.

Some people said that the hijacked plane was already on fire before it ran into another plane on the parking apron, so the authorities should have first evacuated the passengers on board. It was a rare case in which a hijacked plane dashed into the parking apron while taxiing along the runway. That occurrence in Guangzhou may be the first of such cases. It is believed that in other countries, if a hijacked plane is coming, the airport would take such measures as immediately clearing the runway, telling the hijacked plane to descend and taxi far away from the airport's routine air routes, and sending fire engines and anti-hijacking armed personnel to stand guard. It is not clear whether the foreign airports would also evacuate passengers who have been on board planes parked on the apron far away from the runway. In theory, if the hijackers became crazy, they might still head the hijacked plane toward the airport terminal or other residential areas. It is hard to take such wide-ranging precautionary measures. The issue is whether passengers on board other planes on the parking apron should all be evacuated when a hijacked plane is landing according to international practice. If that is the case, the Guangzhou airport should be blamed for its negligence; but if that is not the case, then what happened at the Guangzhou airport should just be viewed as purely an unexpected accident. The Chinese airline has yet to improve many things in its service and operation. As long as people make sincere and realistic criticisms, the civil aviation authorities should treat the criticisms with the attitude of "correcting those actually existing and guarding against those which did not exist."

Taiwan-Invested Enterprises Develop in Beijing

OW0410100990 Beijing XINHUA Domestic Service
in Chinese 0005 GMT 2 Oct 90

[By reporter Wang Wei (3769 5588) and reporter-trainee Yu Zhenhai (0060 2182 3189)]

[Text] Beijing, 2 Oct (XINHUA)—The number of Taiwan-invested enterprises in Beijing Municipality has increased to nearly 80, including 57 joint ventures, 13 exclusively Taiwanese-owned enterprises, and some enterprises of other types.

Several years ago, Taiwan compatriots mainly invested in guesthouses and hotels. In recent years, however, they have gradually invested in production enterprises. Of the 38 Taiwan-invested enterprises approved by Beijing Municipality since last year, 34 are production enterprises, accounting for 89.5 percent of the total. The investment lines have also become diversified. Technological levels have been constantly raised, developing from the simple processing industries of shoe making, toys, metal fittings, and food to the industries of textile, clothing, pharmacy, machinery, electronic appliances, and so on.

Due to a lack of understanding of the production and management environment on the mainland, Taiwan compatriots invested mainly in joint ventures several years ago. In the past two years, they have become familiar with the mainland's stable policy and environment. So they have started to set up their own enterprises. In 1988, there was only one Taiwanese-owned enterprise, and now there are more than 10 such enterprises.

Taiwan-invested production enterprises in Beijing Municipality are mostly labor-intensive industries, with a smaller scale of investment on the average. After these enterprises were put into operation, they usually gained better profits. So some of them have increased their investment and expanded the production scale.

In order to ensure a healthy development of Taiwan-invested enterprises, Beijing Municipality has strengthened its leadership over work related to attracting investments from Taiwan and formulated relevant principles, policies, and local laws and regulations. In addition, the Beijing Consultative Service Company for Investment and Trade by Taiwan Compatriots also enthusiastically provides services to those compatriots who wish to invest in Beijing.

It is learned from the department concerned that future Taiwan-invested enterprises in Beijing will develop themselves into export-oriented and high-technology-extensive enterprises.

Taiwan's Opposition Party To Hire Asiasat Channel

HK0210095890 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1113 GMT 25 Sep 90

["Democratic Progressive Party Intends To Hire a Channel From Asiasat 1 for Establishing a Television Station"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 25 Sep (ZHONGGUO TONGXUN SHE)—According to a report from Taipei, Huang Hsin-chieh, chairman of the Taiwan Democratic Progressive Party, yesterday revealed that his party was planning to hire a channel of Asiasat 1 from the Hong Kong Hutchison Whampoa Company and set up a "Chuanmin Television Company Limited." Chang Chun-hung, secretary-general of the party, had already submitted to the Taiwan Government Information Office an application for establishing such a television station in his name.

Huang Hsin-chieh said: The rent for a channel of Asiasat 1 is \$2.5 million a year. Chang Chun-hung has already initialed the rental contract with Hutchison Whampoa Company and paid a deposit of \$25,000. An application has also been submitted to the Taiwan Government Information Office for establishment of a television station. Huang hoped that a certificate of approval would be issued in October.

As the Taiwan authorities, under the pretext of lack of television channels, currently do not accept any applications for the establishment of new television stations, the Democratic Progressive Party, which wishes to make a breakthrough, must rent a channel from Asiasat 1. Apart from this, the Democratic Progressive Party is also planning to set up a radio broadcast station as a medium to balance television news coverage. Huang Hsin-chieh said he would not rule out the possibility of establishing a broadcast station in Hong Kong or the Philippines if the authorities still do not approve his party's application.

Referring to the Democratic Progressive Party's application for establishing a television station, Shao Yu-ming, chief of the Taiwan Government Information Office, said: Wired television service will be started in Taiwan in about two years; the Democratic Progressive Party will certainly be able to set up their own television station by that time if they really want to do so.

Editorial Blames Peking for Barriers to Unification*OW0410114390 Taipei CHINA POST in English
29 Sep 90 p 4***[Editorial: The Real Barriers to Unification]**

[Text] Chinese Communist President Yang Shang-kun recently called for Taiwan to expand exchanges with the mainland so as to facilitate unification of the two sides at an early date.

In an interview with Taiwan's CHINA TIMES conducted in Peking Monday, Yang accused Taipei of not being active enough in promoting bilateral exchanges.

To promote mutual understanding and reduce political tensions between Taiwan and the mainland, freer exchanges with each other certainly should be encouraged.

But Yang must understand that the main obstacle to reunification is not Taiwan's hesitancy in increasing exchanges with the mainland.

The real barriers to unification are Peking's unrealistic Taiwan policy and its deep-rooted communist ideology. Peking has always treated the Taipei government merely as a local government, the government of Taiwan Province.

This policy was repeatedly stressed by Yang in the interview. He said Peking will never recognize Taiwan and the mainland as being two equal governments. Peking must be the sole central government.

In the minds of the leadership in Peking, Taiwan is but a province of China, with only 20 million people. Just this fact makes it impossible for Taiwan to be equal to the mainland, which has a population of more than 1.1 billion.

But Peking must realize another reality that Taiwan, for the past more than 40 years, has been implementing a free-market economy and pursuing democracy.

The 20 million people on the island have been generally faring well under these systems and have been satisfied with them. There is no reason that they should be required to accept a totalitarian communist regime in Peking, a situation which would happen should Taiwan recognize the mainland as the central government.

Peking's persistence in its adherence to a one party system, communism and a centralized economy is another major barrier to the unification of Taiwan and the mainland.

These systems are widely different from what Taiwan has been following. This is to say that there is little common ground at this point for the mainland and Taiwan to merge.

In the interview, Yang did reiterate Peking's proposal that the two sides should merge within the framework of "one country, two systems."

This formula, he said, would enable Taiwan to become a special administrative region of China, with a higher degree of autonomy than has been granted to China's other special regions.

Under the arrangement, Yang said, Taiwan would continue carrying out Dr. Sun Yat-sen's theory—The Three Principles of the People—and the mainland its socialism, without each side interfering with the other.

Peking certainly thinks this is a good arrangement for Taiwan. But Taiwan, as a special administrative region of China, would inevitably have to subordinate itself to Peking's rule.

Once that was the case, Taiwan would soon lose its sovereignty as a political entity, and its political status in the international community would be greatly weakened as a result.

Besides, there is no way for Taiwan to trust it will be allowed by Peking to follow its free economic and political systems after being united with mainland China, considering the mainland's changing political circumstances and unpredictable policies.

Yang was right on one point when he suggested that the two sides first hold working-level talks on matters relating to bilateral exchanges, leaving the discussion of unification issues to later.

To encourage Taiwan to expand its contacts with the mainland, however, there is a need for the Chinese communist leaders to allay Taipei's suspicions about the mainland's sincerity.

While repeatedly stressing that unification will be achieved through peaceful means, Peking has refused to renounce its threat of using military force against Taiwan.

This gives many people here the impression that Peking wants to keep that threat as a last resort to force Taiwan to merge with the mainland on Peking's terms.

At one point in the interview, Yang called for mutual trust in improving bilateral relations. But mutual trust must be founded on actions, not just words.

Government Spokesman on PRC Airliner Crash*OW0410222890 Taipei International Service
in English 0200 GMT 4 Oct 90*

[Text] ROC [Republic of China] Government spokesman Shao Yu-ming, who is the director-general of the Government Information Office, stated on Wednesday that the ROC Government is very concerned about the tragedy which occurred at Canton Airport on Tuesday. He said that the tragedy had pointed out the need to hasten the establishment of an intermediary group between both sides of the Taiwan Strait to take care of the issue concerning the injury or death of people from either side when visiting the other side. Shao said that the government is concerned about the safety of

Taiwan travelers in the mainland and has already instructed the Tourism Bureau to make use of all avenues to ensure the proper handling of the issue in the wake of the death of Taiwan tourists.

DPP Passes Veiled Call for Independence

*OW0410183190 Taipei CHINA POST in English
28 Sep 90 p 12*

[Text] The opposition Democratic Progressive Party (DPP) is heading for a showdown with the government after its moderate leaders endorsed in an about-face a veiled but radical call for the island's independence.

Huang Hsin-chieh and Chang Chun-hung, chairman and secretary-general respectively of the DPP, endorsed Wednesday a motion calling on the government to renounce its claim of sovereignty over mainland China and Mongolia, former party Chairman Yao Chia-wen said.

According to the motion initiated by Yao, the DPP supports peaceful co-existence between Taipei and Peking as governments on equal footing but that Taipei's sovereignty does not include mainland China and Mongolia.

The motion, seen as a veiled call for independence, was to be discussed at the Second Plenary Session of the 4th DPP Congress in October. If passed, the DPP would be headed for a showdown with the government, analysts said.

On Tuesday, Premier Hao Po-tsun reiterated in his state-of-the-nation address during the opening of the 86th parliamentary session that advocates of Taidu, or Taiwan independence, would be prosecuted.

Huang told reporters yesterday that he endorsed Yao's motion to see how Hao intended to crack down on Taidu.

"I favor but will not talk about Taidu" at this juncture, said Huang, leader of the party's moderate Formosa faction.

The motion was designed to counter the National Unification Committee, he said.

President Li Teng-hui announced plans to establish the committee, which will be under the jurisdiction of the Presidential Office, to dictate Taiwan's policy toward mainland China despite calls by Huang that the name of the group be changed.

The mass-circulation United Daily News quoted unnamed sources as saying Huang endorsed the motion because he was frustrated when President Li indicated in an interview with the Asian Wall Street Journal that he favored a U.S.-style electoral college electing the president instead of holding direct presidential elections.

Huang and most other delegates to the National Affairs Conference (NAC) here June-28 July 3 had called for direct presidential elections. The NAC was convened by Li to set the tone of political reforms on the island in the 1990s.

Sympathetic No More?

The opposition leader had been overly submissive and sympathetic toward Li, a fellow native Taiwanese and the first to ever become president, since Li received Huang at the Presidential Building in Taipei in March.

When asked to comment on Huang's about-face, a Presidential Office spokesman said the government will never give up its claim of sovereignty over the mainland nor its goal to reunify China.

As to whether the motion was tantamount to sedition, it is up to prosecutors to decide, the official said.

A Taiwan High Court prosecutor said he still has to investigate before determining whether the motion was tantamount to sedition.

Meanwhile, DPP legislator Lin Cheng-chih, a second-generation mainlander considered to be pro-reunification, protested and threatened to withdraw an NT\$100,000 donation to the party coffers to mark the fourth anniversary of the DPP's founding today.

Minister Denies Offer To Share Expenses in Gulf

*OW0410133290 Taipei CHINA POST in English
1 Oct 90 p 12*

[Text] Foreign Minister Fu Chien yesterday denied a report in the LOS ANGELES TIMES that said Taiwan had offered U.S.\$100 million to the United States to go toward U.S. military expenses in the Gulf crisis.

He said the government has only decided to donate U.S.\$30 million to Jordan, Turkey and Egypt.

But press reports said that the government here had offered the money to the United States but the Bush administration refused to accept to avoid offending the Chinese Communists.

The papers said Washington needs Peking's support in imposing sanctions against Iraq which invaded and occupied Kuwait in early August.

If Washington accepted Taipei's donation, Peking might be offended and end its support of sanctions against Iraq.

But some local newspapers, quoting senior Foreign Ministry officials, said Taipei had never proposed to offer cash to the Bush administration.

They said Chien had already made himself clear that Taipei was not going to share the U.S. military expenses, and he also predicted that Washington would not ask for it, either.

Officials Reaching Tax Agreement With Germany

*OW0310174790 Taipei CNA in English 1551 GMT
3 Oct 90*

[Text] Taipei, Oct. 3 (CNA)—Tax officials said Wednesday that they were preparing to negotiate with

the German Government on the signing of a bilateral tax exemption agreement on trade and economic relations between the Republic of China [ROC] and the new Germany. [Words indistinct] have caught the attention of both officials and businessmen here as East and West Germany united Wednesday.

The officials of the Finance Ministry's Department of Taxation said the Republic of China and (?the Government of Germany) already had [word indistinct] an agreement on the exemption of shipping company income tax.

They said if an agreement could be reached (?between) the two countries on the exemption of air transportation, investment and other income taxes, bilateral trade would grow (?dramatically).

The Board of Foreign Trade [BOFT] statistics show ROC exports to former West Germany, (?the country's) largest export market in Europe, (?mounted) to 1.96 billion U.S. dollars during the first eight months of 1990, 85 percent over the same period of 1989. During the same period ROC exports to East Germany grew 48 percent to [figure indistinct] million U.S. dollars, BOFT said.

A unified Germany is thus a potential economic giant. BOFT officials predicted that Germany will be an economic miracle in the not (?too distant future).

As of now, they pointed out, more than 200 ROC manufacturers have set up branch offices, warehouses and after-sale service centers in former West Germany.

A number of ROC banks have also established branches or representative offices in the central European country, from which they plan to expand ROC trade and economic links with other parts of Europe.

They said efforts should now be made to (?strengthen) such links with the eastern part of the new Germany, so that it can (?become a) bridgehead for expansion into East European markets.

BOFT said eastern Germany now needs investments in the food, textile, [word indistinct], electrical appliance and pharmaceutical [words indistinct] interested manufacturers should consider investing in these [words indistinct].

Furthermore, the German trade office in Taipei is sponsoring a large-scale seminar next week during which East German experts (?have been) invited to brief local businessmen on the investment climate and trade opportunities in eastern Germany.

Premier Hao Po-tsun Cited on Unification

OW0410185890 Taipei CNA in English 1557 GMT
4 Oct 90

[Text] Taipei, Oct. 4 (CNA)—Premier Hao Po-tsun praised the Germans Thursday for having set a good example for divided countries by achieving unification in a peaceful and democratic way.

"Though our situation is different from that of Germany," Hao was quoted as telling a cabinet meeting, "we will accomplish national unification with a good system."

Government spokesman Shao Yu-ming quoted Hao as saying that the unification of West and East Germany was "the most important event" since the end of World War II in 1945.

The German example proves that only a good system can absorb and unify a bad one, not vice versa, Hao said.

He continued that the Republic of China certainly could not accept Peking's proposal for unification under a "one country, two systems" formula because the communist system was a losing cause.

Hao recalled that former President Chiang Ching-kuo, who died in January 1988, had advocated the idea of "one country with a good system." Germany's unification proves the late president's farsightedness, Hao said.

The premier continued that the development of communism reached its peak in 1975, when North Vietnam conquered South Vietnam, but has since been quickly declining.

A "domino" effect began after the June 4, 1989, Tiananmen incident: Communist regimes have been falling one after another since then, Hao said.

He said the all-satisfying unification of Germany had boosted the Republic of China's confidence in unifying China under a good system.

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